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National Commission for Employment Policy

Older Worker Employment Comes of Age: Practice and Potential

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PREFACE

The National Commission for Employment Policy, an independent federal agency mandated to advise the President and Congress on national employment and training issues, set out in 1982 to consider the employment situation of older Americans. The Employment and Training Administration of the Department of Labor joined with the Commission to sponsor 14 research studies. The results and recommendations of the Commission's comprehensive examination of the labor market problems of older Americans and national employment policies that affect them are contained in its annual report, *Work After 45: Prospects, Problems, and Policies for Older Workers.*

A great deal of the information is not only relevant for national policy purposes but has important applications for local and state government, program operators, and the private sector. The Commission believes that the Federal Government can contribute to improving the employment conditions for older workers by disseminating information about successful public-sector and employer-sponsored programs and practices. Three additional parts of the project were undertaken in support of that belief:

- This volume, *Older Worker Employment Comes of Age: Practice and Potential*, is a strategy development guide written for private sector, local and state public sector, and community organization personnel. It was written to describe the potential for expansion of the employment prospects of older workers.
- *A Practitioner's Guide for Training Older Workers*, a technical assistance handbook, was written for persons involved in developing and running programs using 3% set-aside funds for persons 55 and over under the Job Training Partnership Act.
- Local conferences cosponsored by the Commission were held in Nashville, Tampa, Cleveland, Boston, and San Francisco. These were designed to disseminate the new information and involve local private and public sector individuals and groups in joint discussion of the problems and potential of older workers. The conferences can serve as models for other communities interested in such joint discussions.

Older Worker Employment Comes of Age: Practice and Potential provides specific examples that concerned individuals and groups can implement by themselves or in concert with other interested parties. Increasing employment opportunities for older Americans requires supportive government and private sector policies.

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Policy and Older Americans

The opinions expressed in this guide do not necessarily reflect the views of the Commission or any other Government agency.

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I INTRODUCTION

THE GROWING AWARENESS OF OLDER WORKERS

There are many forces at work that have brought about increasing interest in older worker employment: the aging of the country's labor force, changing labor needs in an increasingly technological economy, an increasing demand for continued employment among those beyond normal retirement age, fiscal pressures faced by the Social Security system and pension funds, and a new federal training program for older persons under the Job Training Partnership Act (JTPA).

The changing context in the older worker issue is well described by the National Commission for Employment Policy (NCEP) in its *8th Annual Report, The Work Revolution.*

> The 1980s are proving to be a period of tremendous change in the labor market. Among the trends that business and government leaders must consider in fashioning effective employment policies are a significant decline in labor force growth, a maturing work force, and large-scale movements of people from the Northeast and Midwest toward the West and the South, and from urban to rural areas....
>
> ...The 1980 census data confirm what demographers have known for some time, that the reduced birth rates that followed the great post-World War II "baby boom" will mean a shrinking supply of new workers in the current decade....
>
> ...Based on Current Population Survey reports from the Bureau of the Census, the U.S. Department of Labor projects a continuing decrease of this age group [16-24] in the work force over the remainder of the decade....The diminishing supply of young workers, together with a slowdown in the rate at which women enter the labor force, lead experts to predict that in the 1980s the labor force will grow at less than half the rate it grew in the 1970s....
>
> At the upper end of the age spectrum, the U.S. Department of Labor projects a slight decrease in the number of persons 55 years and older who are in the labor

INTERESTS OF DIFFERENT SECTORS

Employers

- Aging work force
- Changing regulations
- Rising pension and benefit costs
- Need to retain valued employees

Government
Federal

- Solvency of Social Security
- Political strength of older constituents
- New JTPA training program

State

- New JTPA training program
- Reducing demand for income support among those not eligible for federal programs
- Reducing demand for social services
- Reducing state pension liabilities

force—from about 14.7 million workers in 1980 to about 14.1 million in 1990. Most of this decrease is expected to occur among males in the 55- to 64-year-old category....

...The effects of these changes on the economy will be significant. Smaller numbers of young entry-level workers should create tighter labor markets, including higher wage rates and less unemployment. These, in turn, are likely to persuade older workers to remain longer on the job. The result could well be an increase in the average retirement age and a host of related policy implications for government.

A maturing population is also expected to have major repercussions on business behavior—reflected in hiring and pension policies.... Employers who have previously relied on young people for a large share of their work force...may need to alter their labor force composition to take into account the shrinking supply of young workers....Pension and health care planning will take on far greater importance as the labor force ages, with concerns about the fiscal soundness of the Social Security program and other pension systems already appearing more frequently in public discussions.

PURPOSE OF THIS GUIDE

The focus of this guide is on the changing reality of older worker employment. Its theme is the need to delineate older workers' needs and what different sectors can do about them. The guide draws from research that shows a complex set of employer, government, and older worker concerns about keeping and continuing employment. Various forces are affecting older workers—both pushing them into retirement and pulling them back into the work force. Older workers are a diverse group and are affected in different ways by these forces. Workers who have been displaced from their jobs and have no prospects of returning have labor market problems that are different from those of disadvantaged minority, female, and health-impaired workers. Older women seeking to enter the labor market after being divorced or widowed can receive training up to age 62, but not beyond. Workers who are getting close to retirement age and face pressures and incentives to retire because of skills obsolescence and pension policies are different from

Local

- Maintenance of tax base
- Maintaining neighborhood stability
- Reducing demand for social services, medical services, other interventions

Community

- Meeting financial needs of older people
- Meeting noneconomic social needs of older people
- Promoting independent living

Older Workers

- Self-support
- Maintaining earnings and avoiding asset exhaustion after job layoff
- Maintaining health-care coverage
- Maintaining self-confidence and lifestyle
- Supplementing inadequate retirement income

retirees who are seeking to reenter the labor market and who face stereotypes among employers, less flexible work opportunities, and lower paying part-time work.

This guide examines the forces affecting older workers and identifies key issue areas where changes could be introduced. These issues include: making benefit and compensation practices more flexible; modifying work arrangements to accommodate needs that might change over time; developing or providing access to education and retraining to maintain productivity; and offering marketing and placement services to improve older worker visibility, image, and demand.

Who can make these changes, and how, is the major focus of this guide. Using research that examines how employers and unions, state and local government, and community organizations can take and have taken action, this guide brings together a cross-cutting view of how older workers' problems can be addressed. The findings suggest that a mixture of changes in employer practices can be the basis for improvements in opportunities for many different older worker groups. The possibilities include flexible work arrangements and continued contribution to pensions, incentives to employ older workers provided by eliminating mandatory retirement, developing public sector support for education and retraining, and new community roles in improving the older worker image and brokering job placements.

The guide is based in large part on a set of research reports sponsored by NCEP and the Department of Labor; these are abstracted in the Appendix. These reports tell us about the status of older workers, and about which approaches have and haven't worked in helping older worker groups.

WHO CAN USE THIS GUIDE

This guide is for a wide range of public and private sector organizations that are, or could become, concerned with older worker issues. It is applicable to businesses, including corporate leadership, personnel and benefit departments, and plant management. It can be used in state governments by governors' offices, employment and economic development agencies, civil service and pension commissions, and units on aging. Local governments can use it in mayors' and supervisors' offices, manpower and economic development agencies, area agencies on aging, and personnel offices in public agencies, schools, and hospitals. Community organizations, including Private Industry Councils, local trade and business associations, nonprofit associations, advocacy groups for older adults, and local foundations, will also find it useful. Each of the groups mentioned has a specific interest in older workers, whether as an employer, policymaker, service provider, or advocate, and each can play a different role in helping to overcome obstacles and create a climate of improved opportunity for older workers.

HOW THIS GUIDE CAN BE USED

This booklet can be useful to the reader in three ways: (1) it can be used as a reference point to check whether a community or a specific organization is making the most of potential resources in all sectors to address older worker issues; (2) it can be used as a tool to communicate with other organizations about common concerns regarding older workers; and (3) it can be used as a catalyst to initiate discussions within and among organizations about more systematic ways to develop initiatives to increase older worker employment opportunities.

HOW THIS GUIDE IS ORGANIZED

Following this introduction, there are seven sections to this guide, along with an appendix. They discuss the following topics:

- **II The Status of Older Workers**

  This section discusses who older workers are, how many there are and will be, and what problems they face. It also discusses influences on the retirement decision, and the problems faced by special groups of older workers.

- **III Older Worker Employment Issues**

  This section highlights four key, cross-cutting issues affecting older workers: benefits and compensation, work arrangements, education and retraining, and marketing and placement. It analyzes the nature of each issue and discusses barriers to and opportunities for older worker employment in each issue area.

- **IV Public, Private, and Community Policies and Practices**
  This section identifies public, private, and community sector policy tools that can be used to address the needs and problems of older workers, and reviews the roles of different sectors in changing the policies and practices at their disposal.
- **V Employer and Labor Initiatives**
  This section discusses employer and union interests in addressing older worker issues, and examines a number of employer initiatives to address specific issues, highlighting those that seem to work best.
- **VI State and Local Policy Actions**
  This section discusses the interests of state and local governments in promoting older worker employment and finding solutions to older worker issues that affect employment. A variety of state and local government initiatives are described, and the most promising ones are indicated.
- **VII Community-Based Efforts**
  This section discusses the interests of the community in older worker employment. It addresses some of the ways community groups of various types have addressed some of the issues, and highlights some of the more successful initiatives.
- **VIII Developing Older Worker Employment Strategies**
  This last section focuses on the need to move beyond individual, ad hoc actions and develop more purposeful and concerted strategies to meet the needs of older workers. It illustrates how corporations, government, and community groups, either independently or collaboratively, can develop strategies to meet both the labor needs of employers and the interests of older workers.

Finally, an appendix provides abstracts of 16 NCEP-sponsored research studies on older worker employment issues. Selected references to these studies are made throughout this guide. In addition, there is a list of references and a list of resource organizations.

II THE STATUS OF OLDER WORKERS

OLDER WORKERS AND THEIR WORK PATTERNS

This section provides an overview of the status of older workers. The characteristics of the older worker population are described—how many there are, their unemployment levels, patterns of employment, and prospects for future employment. The section also discusses the decision to retire or keep working—incentives, disincentives, and optional work roles, such as volunteerism. The discussion then turns to special older worker populations—displaced workers, women, minorities, and the handicapped—and their problems. This section concludes with a statement of the four issues that have emerged as a focus for developing actions by employers, government, and the community to address older worker needs.

OLDER WORKERS: WHO THEY ARE

Older workers encompass a wide age group—40 years and older according to the Age Discrimination in Employment Act, 45 years and older according to the Department of Labor definitions, and 55 years and older (the age group most likely to leave the labor force). Older workers are not homogeneous; they include several special populations facing different problems. There are displaced older workers, who have lost their jobs and have no prospects of returning to them; disadvantaged workers (such as minorities, women, and those with health impairments); older workers facing retirement pressures due to skills obsolescence, pension incentives, and work force reduction plans; and retirees seeking to reenter the work force. The status of older workers in general, and the employment problems faced by special groups, can be important to employers, policymakers, and community groups seeking to address older worker needs, since these needs will be different for each population.

In 1980, over 18.9 million men and 12.8 million women were older workers according to the U.S. Department of Labor definition, which includes all those over 45 years of age who are employed, self-employed, or looking for work. In general, older workers are considered in three groups: those aged 45-54, who are

	Millions of Workers 1980	
Age (years)	Men	Women
45-54	9.91	7.07
55-64	7.16	4.59
65 plus	1.88	1.14

Source: Bureau of Labor Statistics

	Labor Force Participation, 1980	
Age (years)	Men	Women
45-54	91.2%	60.9%
55-64	72.3	41.5
65 plus	19.1	8.1

Source: Bureau of Labor Statistics

still high on their earnings curve; those aged 55-64, who are beginning to drop out of the labor force (most for early retirement— planned or as a result of layoff—but some because of ill health); and those aged 65 and over (a much smaller number).

The 32 million older workers in 1980 are expected to rise to 38 million in 1995, with the greatest growth being in the age range 45-54. The Department of Labor expects the number aged 45-54 years to grow from 17 million in 1979 to 24 million in 1995 as the "war baby" generation ages. At the same time, the percentage of older men who remain in the labor force is expected to continue its 30-year decline and the percentage of older women who remain is expected to continue its increase. (More than half of all women are now in the labor force, and the percentage will continue to increase, but the major part of the increase is in younger age groups, according to Sandell, 1983a.)

	Percent Unemployed 1982	
Age (years)	Men	Women
55-64	6.5	5.1
65 plus	5.3	3.9

Source: Bureau of Labor Statistics

	Percent of All Those Working, 1981	
Age (years)	Men	Women
Working full time		
Age 45-64 years	94.5	74.6
Age 65 years plus	52.3	40.4
Working part time		
Age 45-64 years	5.5	25.4
Age 65 years plus	47.7	59.6

Source: Bureau of Labor Statistics

PROBLEMS OF OLDER WORKERS

Unemployment

Until 1981, unemployment rates for older workers had remained fairly low; in 1980, the rate was 4%, in contrast to 7% overall. In addition, although special populations within the older worker group suffered from underemployment (worked part time or worked for only part of the year), almost all men aged 45-64 who were employed in 1981 worked full time, as did almost three-quarters of employed women in that age group.

This overall pattern of full-time work and lower unemployment, however, does not mean an absence of problems. The unemployment rate does not include those who drop out of the labor force, and the dropout rate is high for older workers, for whom layoff tends to become unplanned retirement (Rupp, Bryant, and Mantovani, 1983). For those older workers who stay in the labor force, a spell of unemployment typically lasts longer than it does for younger workers. For example, half of the men aged 55-64 who were unemployed in late 1982 were out of work for more than 13 weeks (Department of Labor, 1983).

Some unemployed older workers have exhausted both unemployment benefits and personal savings but are not eligible for any federally funded benefit except

Food Stamps. These workers are of great concern, not only because of their need for financial support, but also because of their higher rate of emotional and medical problems. Disadvantaged workers, particularly those with little education, may be unable to find work unless they can get training in marketable skills. Displaced workers may be limited in their ability to move to areas that have employment opportunities for their existing skills because they have exhausted all assets except their home, for which no buyer can be found.

Employment

When laid-off older workers get new jobs, they tend to get a lower wage than they received in the previous job (Shapiro and Sandell, 1983). This is ascribed less to age discrimination than to the fact that they tend to have company-specific experience, not all of which is relevant to the new firm, rather than recent training in the latest techniques. In addition, older workers who keep their jobs face the problem that employers see their skills as obsolete because so much time has passed since they were trained (Andrisani and Daymont, 1983). Employers also tend to offer older workers fewer opportunities for training, at least in part because most older workers get higher wages than younger ones, and the time taken for training thus costs the employers more (Andrisani and Daymont, 1983).

When retired workers seek to reenter the work force, whether because inflation has eroded their income or for other reasons, they often do not find full-time work at desirable wages. Because of pension restrictions, the Tax Equity and Fiscal Responsibility Act (TEFRA), Employees Retirement Income Security Act (ERISA) provisions, and Social Security earnings limitations, most post-retirement workers are limited to part-time work, usually less than 1,000 hours per year. Although there are no exact figures on how many post-retirement workers are self-employed, observers generally perceive that the number is rising.

Improving Prospects for Employment

There is no systematic range of opportunities that would allow those older workers who are out of work, working for wages too low to live on, or working only part time, to improve their lot. The Comprehensive Employment Training Act (CETA) and the Senior Community Service Employment Program (SCSEP)

	Average Duration of Unemployment, 1980 (weeks)	
Age (years)	Men	Women
55-64	21.6	19.9
65 plus	16.9	13.1

Source: Bureau of Labor Statistics

	Percent of Unemployed Receiving Training	
Age (years)	Men	Women
Displaced workers		
Age 25-44	3.8%	7.2%
Age 45 plus	3.5	1.7
Other		
Age 25-44	4.4	5.5
Age 45 plus	2.3	1.8

Source: Bureau of Labor Statistics

were underused by older adults, although participation in either one had the effect of increasing the number of weeks worked (Rupp, Bryant, and Mantovani, 1983b). Training slots in CETA programs were often seen—by program operators and the community—as being aimed primarily at the young (Reesman, Rupp, and Mantovani, 1983). According to Rupp et al. (1983), fewer than 1% of those over 45 who met CETA eligibility requirements received CETA training. An even smaller percentage of those eligible for the SCSEP participated.

Finally, the Age Discrimination in Employment Act, although it has changed corporate practices in dealing with men and women aged 40-70, has not eliminated age discrimination. The number of grievances filed with the Equal Employment Opportunity Commission (EEOC) charging age discrimination has risen 75% over the last 3 years, to 10,000. (The number of grievances filed is not a clear reflection of the incidence of age discrimination, but it is some indication that age discrimination continues to be perceived.)

THE DECISION TO RETIRE OR KEEP WORKING

The decisions of individuals to keep working past 65, to retire at 65, or to retire early have a very large aggregate effect on the Social Security system and on public and private pension funds. For that reason, considerable attention has been paid to the factors that influence these decisions. Factors that appear to have such influence include size of current wage, the ownership of assets or a vested pension of significant size, expectations about inflation, availability of suitable work arrangements, and availability of desirable alternatives, such as volunteer work.

The Department of Labor expects older men to continue their pattern of early retirement and declining participation in the work force, and expects a decline for women over 65 as well, but at a slower rate. At the same time, the declining rate of participation by men over 65 is somewhat deceptive, since the number of men alive beyond 65 increased from 7.6 million in 1960 to 10.1 million in 1981, so that a decline in the participation rate is not necessarily a decline in actual numbers. Furthermore, the decline is not constant across all occupations or all wage levels. Low-wage laborers show a greater decline in labor force participation with age that is partly accounted for by the increase in the number receiving disability benefits (Sandell, 1983b). Working beyond 65 is most frequent in wholesale and

	Percent of Sample Working Stated Hours per Week, 1978	
Hours per Week	Men	Women
0-15	0.8%	4.1%
15-25	1.6	6.9
25-35	3.4	9.4
35-41	51.1	63.5
41-46	13.6	5.8
46-56	19.0	6.7
56 plus	10.5	3.7

Source: Jondrow, Brechling, & Marcus (1983)

ELIGIBILITY FOR AND PARTICIPATION IN CETA II-B

	Percent of U.S. Population	
Age Range	Eligible	Participating
14-21	17.6	1.20
22-44	14.1	0.58
45-54	9.7	0.17
55-61	10.8	0.10
62-64	8.9	0.05
65-70	9.6	0.03
71 plus	12.0	0.01

Source: Rupp et al. (1983).

retail trade and in services and least frequent in mining and transportation, according to Morrison (1983).

Other factors may influence the labor participation decision. For example, older workers who are laid off, particularly because of the decline of an industry or a plant closing, tend to retire early, not because they planned to but because retirement is preferable to the kinds of jobs available to them (Johnson et al., 1983). Also, Sandell points out that, for many older married women, continuing in the labor force will not give them a Social Security retirement benefit above what they would receive as the spouse of a worker covered by Social Security (Sandell, 1983a). Therefore, older wives may have little incentive to continue working if their husbands retire.

Polls indicate that many workers would like to stay on at their same job and wage if they could work fewer hours—an option not generally available. Jondrow, Brechling, and Marcus (1983) concluded that employers find part-time workers to be more costly per hour and less productive than full-time workers. The most common kind of part-time work is self-employment; part-time work for others is most common in agriculture, finance, insurance, real estate, and in personal service.

In a study of volunteerism among older adults, Jusenius (1983) found that the rate of volunteering among older adults was about one in five and that it did not differ by income level, race, or ethnicity, but that it did increase among men with level of education and level of income-producing assets, and among women with level of education and previous level of volunteer work. It appears that early retirement does not benefit society by resulting in increased volunteer work.

In addition to personal incentives and disincentives that affect the decision to retire or to continue working (dislike of the job, for example), there are a variety of laws and regulations that affect individual situations. For lower income workers, the ability to receive at least some income at age 62 is an incentive to retire. For higher income workers, there may be mandatory retirement at 65 or a pension system that encourages early retirement.

Incentives for continued work include the absence of any other source of income or possible source of support. For example, Rupp, Bryant, and Manto-

	Median Time to Next Job (weeks)	
	Men	Women
Displaced worker		
Age 25-44	13	16
Age 45 plus	20	21
Other		
Age 25-44	9	11
Age 45 plus	13	19

Source: Johnson, Dickinson, & West (1983) vani (1983b) found that unemployed eligible adults over 45 tended not to participate in CETA (or SCSEP) if they lived in larger families, but did if they were single or widowed, living alone or in a small family.

Disincentives to continued work include the Social Security earnings test, the ability of companies to deny accrual of pension after age 65, and the legislation that requires employers to provide private health-care coverage for workers aged 65-69 if they provide health-care coverage for any workers. The extra cost of health insurance is not expected to lower the number of jobs available to older workers by more than 1% (Anderson, Kennell, and Sheils, 1983), because employers will compensate for the added cost (13% of compensation) by wage or benefit reductions. However, the reduction in wages or benefits reduces the reward for continuing to work. (Those persons who are still working at and beyond 65 are not, in general, those who are in ill health and heavy consumers of Medicare, so that the employer's health-care plan may not be as important to them as it would be to young workers with minor children, who often reject a job without health care benefits.)

In a study of the way employers view older workers, Paul (1983) found that employers perceived the Social Security earnings test to be a significant disadvantage in employing post-retirement workers on a temporary or part-time basis since workers would stop working when they had reached the annual limit. In addition, workers under age 65 who work part time are often precluded by their employers from working more than 1,000 hours in a year so that they need not be included in pension coverage under the ERISA.

All these factors that seem to push and pull older workers into early retirement, however, may be less important than expectations of longevity and expectations of inflation. On the average, the 65-year-old white male in 1979 could expect to live to be 79 and the 65-year-old white female could expect to live to be 83; blacks could expect to live to be 77 and 82, respectively. Because of these increases in longevity and because of expectations of the future rate of inflation, there was a tendency in 1980 for fewer workers to indicate that they planned to retire early (Meier, 1980). In particular, those with fixed pensions see inflation as a severe threat.

SURVEY OF OLDER ADULT ATTITUDES

	Agree
Nobody should be forced to retire if he/she wants to work and can still do a good job	90%
Most employers discriminate against older people and make it hard for them to find work	78%
Would prefer to retire at or after age 65 (asked of those 55-64)	67%
Would prefer working part time instead of retiring completely	
Younger adults	75%
Adults 55-64	79
Adults 65+ still at work	73

Source: Louis Harris and Associates (1981)

If labor force participation rates increase among older workers, the overall immediate effect on the labor force would not be great. Simulations by Storey (1982) suggest that if the mandatory retirement age had been raised from 65 to 70 in 1973, the size of the labor force would have increased very little. According to Fields and Mitchell, staying in the labor force would be encouraged most by policies that lowered Social Security benefits for early retirement and increased the gain from deferred retirement (Fields and Mitchell, 1983), but these measures would induce the average worker to delay retirement by no more than 3 months. In addition, such measures would penalize those older workers with a lower life expectancy and a concomitant need to retire early. It appears that measures that change the corporate culture (Paul, 1983) might be more effective in raising the number of individual decisions to keep working.

SPECIAL POPULATIONS AND DOUBLE JEOPARDY

Although older workers face some common problems (longer unemployment, obstacles to post-retirement employment, lack of part-time work at the same job and wage), it is often charged that special populations face double jeopardy. Displaced workers, women, minorities, and the handicapped are cited as examples.

Displaced Workers

Recent research suggests that displaced workers do face more severe problems as they become older (Shapiro and Sandell, 1983). Displaced workers of all ages are more likely to engage in job search than workers laid off for cause or those who quit a job. Managers and clerical personnel generally can shift to different industries, or even different occupations; craftsmen are more likely to find new jobs in the same industry; and even with laborers, there is some indication that those who are 45-54 years old are as likely to find new jobs as those at the youngest end of the labor force. There is some wage reduction in the new job, but it appears to be related more to the discount applied to their company-specific experience rather than being a matter of age discrimination. Men over 65, however, do

HOW MANY WILL WANT JOBS?

The number of adults over 55 who were employed rose from 14.1 million in 1970 to 14.5 million in 1980. Another half-million adults over 55 were unemployed in 1980, not counting those classified as "discouraged workers."

Between 1980 and June of 1982, the purchasing power of the consumer's dollar dropped by 14%. As the country recovers from its most recent recession, many older adults may find that pension amounts earned before the years of high inflation are no longer enough to support early retirement, and may stay on the job. Discouraged older workers and retirees may also decide to reenter the labor force in considerable numbers.

But that will be only a small change compared with the change that will occur as the "baby boom" generation ages.

	Percentage Out of the Labor Force in 6 Months After Applying for Employment Services	
	Men	Women
Displaced worker		
Age 25-44	3.8	10.4
Age 45 plus	17.4	16.4
Other		
Age 25-44	7.7	13.2
Age 45 plus	15.3	19.0

Source: Johnson, Dickinson, & West (1983) experience a decline in wages in the new job that is not accounted for by the discounting of their company-specific experience (Shapiro and Sandell, 1983).

Women

The evidence is less clear for women (Kohen, 1983; Clark, 1983). Women's earnings on the average never rise as high as men's earnings; the earnings curve is flatter throughout their working life. However, it peaks later than the curve for men (age 55 rather than age 50) and declines more slowly. There is disagreement over whether this pattern results from a combination of age discrimination and discrimination against women, or whether it results from the cumulative effect that women's historical lack of access to training opportunities on the job has over a working life. However, working women may also have different work patterns; in a population of Michigan workers, 43% of the men but only 16% of the women worked more than 40 hours a week (Jondrow, Brechling, and Marcus, 1983).

Minorities

Earnings curves for minority men appear to have the same shape as those for white men, but appear to be lower at all points along the curve. This trend is ascribed to the initial effects of racism on education and on early experience on the job. There is some evidence that the disparity between the earnings of minority men and those of white men decreases slightly for older workers. What appears to happen is that valued minority men are kept on and treated in ways that are statistically similar to the ways white men are treated, while the less valued minority workers either drop out altogether or find themselves in a succession of low-wage jobs. The effect, then, is not one of a combination of age discrimination and racism, but of racism primarily.

Handicapped

The evidence for the handicapped is scant, but it does tend to confirm an increasing penalty (lower wages, decreased employability) with age (Kohen, 1983). The reason for this effect is not clear. However, Clark (1983) finds that the earnings of those with health limitations peak sooner and decline more with age than the average. In addition, although being physically handicapped is positively associated with CETA eligibility, it is negatively associated with CETA participation among those over 45 (Rupp, Bryant, and Mantovani, 1983b).

CONCLUSION

The labor force is witnessing a slow change in the number of older participants. Few workers over the age of 65 are deciding to remain in the work force at present, because of incentives to retire, as well as industrial change that makes continued employment [illegible] adaptation difficult. However, both the increase in the number of aged and shifting business and government concerns about pension costs and labor supply suggest that changes may occur in employer views toward encouraging retirement and in older workers' desire to remain on the job. Nevertheless, as this discussion shows, there are many worker groups whose special employment problems need to be systematically examined in developing new older worker employment policies and practices.

Four basic issue areas emerge as a focus for developing actions to address older worker needs, whether the population of concern is displaced, disadvantaged, in the work force, or trying to reenter after retirement, as Section III will show. The following table summarizes issues in these four areas. New views of benefits and compensation policies and practices, work arrangements, education and retraining opportunities, and marketing and placement assistance can help expand older worker employment options.

SUMMARY OF OLDER WORKER POPULATIONS AND EMPLOYMENT ISSUES

	Benefits and Compensation	Work Arrangements	Education/Retraining	Marketing and Placement
Workers at or near retirement	Companies rarely offer incentives to stay on.	Part-time work is most common option, but rarely at same job and wage.	Rarely offered by employers; adult ed. only public sector program for those employed.	Marketing to change employer attitudes could help.
Displaced workers	Loss of seniority affects wages in new job.	No special work arrangements needed or available.	Needed, but should build on existing expertise.	Active job seekers—need more support.
Disadvantaged workers	May not be adequate to allow for retirement planning; no incentive to keep working if any alternative available.	Underemployment (part-time work) is common.	Needed, but not often taken advantage of; rarely offered by employers.	Needed
Retirees seeking to reenter labor force	Pension, TEFRA, and Social Security earnings limits are disincentives.	Part-time work most common option; self-employment increasing.	Few programs available.	Utility demonstrated, but demands knowledge of employer needs and business conditions.

III OLDER WORKER EMPLOYMENT ISSUES

Public, private, and community leaders typically become interested in older workers as they try to deal with specific local problems. These problems may include a need to help low-income, unskilled, or displaced older workers who do not qualify for federal benefits, or to develop a new older worker program using the Job Training Partnership Act set-aside as seed money. They may include the need to retain highly skilled staff, to prevent skills obsolescence, or to reduce pension costs. Or they may include responding to the demands of senior citizen constituencies.

Regardless of the particular local problem that might serve to focus attention on older workers, there seem to be four cross-cutting issue areas that need to be addressed if the employment problems of older workers are to be solved. These are:

- **Benefits and compensation**—Changes are needed in public and private pension and benefit programs to enable more flexible employment options. Some policies are being introduced by state and local governments; others are being developed by individual employers.
- **Work arrangements**—Modification of traditional work arrangements is needed to accommodate the desires and capabilities of older workers. These changes might be mandated by state or local legislation, or adopted voluntarily by individual employers.
- **Education and retraining**—Specialized opportunities are often needed for older workers to upgrade or add vocational skills to maintain productivity or gain new employment. The public welfare and education systems may be able to offer new forms of assistance and new incentives to the employer as well as opportunities.
- **Marketing and placement**—There is a need to communicate the value and potential of older workers to employers, and to match older workers with employers. New types of programs supported by business and community groups could help increase older workers' access to jobs.

SURVEY OF EMPLOYER ATTITUDES

	Agree
Inflation will cause workers to postpone retirement.	91%
Older workers perform as well on the job as younger ones.	90%
Older workers are more committed to company aims than younger ones.	87%
Would be likely to hire someone over 50 even for nonmanagement positions.	76%
Older workers today are discriminated against in the marketplace.	61%

Source: William Mercer, Inc.

BENEFITS AND COMPENSATION

As the number of older workers in the work force increases and as more retired workers seek employment to supplement inflation-eroded incomes, the question of benefits and compensation will become more important.

From the point of view of older workers who wish to work, the primary pension problem is that private pensions are generally not paid if the person works at the company he or she retired from (or, for some plans, in the same industry). This means that part-time work at the same job may replace the retiree's pension, rather than supplementing it. Another important problem is that about half of all pension plans permit accrual of benefits after 65, and many pension plans accrue benefits on a pro rata basis for employees who shift to part-time work before retiring. For those who have no problem with pension restrictions because they have no private pension, the Social Security earnings limit tends to set an effective maximum on the number of hours worked by penalizing work beyond the limit.

From the point of view of employers, older workers are often perceived as costing more than younger ones. However, the greatest cost comes for those workers beyond normal retirement age. If the worker is over 65, there is an increased cost of offering health insurance (Anderson, Kennell, and Sheils, 1983). If the worker seeks to stay on at the same job part time, fixed costs per hour worked go up (Jondrow, Brechling, and Marcus, 1983). The federal Age Discrimination in Employment Act has outlawed practices such as paying less to older workers or denying promotions solely on the basis of age.

Existing pension plans often combine with Social Security to encourage the early retirement of employees, including those who are still highly productive. Fostering early retirement, often thought of as a way of keeping corporations young and energetic, is now seen as incurring potentially rising costs. Early retirement not only increases pension liabilities, it also attracts the valued employee as well as the poor performer. In order to retain employees who cannot easily be replaced by less costly young people, as well as to trim pension obligations legitimately, employers may need to change benefit and compensation practices.

The Employee Retirement Income Security Act of 1974 has influenced the design of part-time work programs. Given that "the 1,000 hour rule" mandates pension vesting for employees who work 1,000 hours or more yearly, management usually restricts the number of annual part-time work hours to less than 1,000. All six of the retiree labor pool programs surveyed in recent research have a 1,000-hour restriction built into their personnel policies to prevent the company from becoming liable for pension benefits. The attitude of the managers interviewed about their program was that if the 1,000 hour rule were eliminated, their organizations would permit part-time personnel to work more hours.

In addition, ERISA's provision that pension benefits may be suspended for retirees who are reemployed for 40 or more hours in a calendar month is a second disincentive to work in retirement. This policy, however, has less effect—in terms of the number of retirees limiting their work hours—than the Social Security earnings test limitation. Administrators of part-time employment programs find that the Social Security retirement test limits work effort; older workers work up to but not beyond the point where wages begin to reduce Social Security benefits (Paul, 1983).

Finally, the Tax Equity and Fiscal Responsibility Act has shifted health care costs for employees aged 65-69 from Medicare to employer health-care plans. Of 25 managers interviewed prior to its initiation, 23 stated that their organizations expected an increase in company health plan costs when TEFRA went into effect on January 1, 1983 (Paul, 1983). Managers expected the cost increase to be minimal because the number of employees affected, those between the ages of 65 and 69, was typically less than 1% of the company work force. However, for an employee aged 65-69 to be given health-care benefits by an employer would cost about 13% of the employee's total compensation package (Anderson, Kennell, and Sheils, 1983). Thus, if the number of employees aged 65-69 were to increase sizably, managers would be expected to compensate in some way (such as through lower wages or fewer other benefits) or to rethink employment policies and practices targeted to older workers.

Individual employees have the option of refusing coverage under their employer's plan and choosing Medicare as their primary coverage instead. This allowance

THE IMPACT OF TEFRA AMENDMENTS TO ADEA ON EMPLOYERS AND OLDER WORKERS

- TEFRA requires firms with 20 or more employees that offer health insurance to any of their employees to cover workers aged 65-69. They also require that employer plans become the primary payor of health costs rather than be a supplement to Medicare (as was the case before January 1, 1983).
- It is estimated that about 434,000 private sector workers aged 65-69 (about 37% of all private sector workers of this age) will be affected by these changes, at a total cost to employers of about $500 million.
- About 286,000, or 66%, of these were previously covered by employer plans. The health plan costs of these workers are estimated to be about 8% of their total compensation costs.
- About 148,000 workers who were previously excluded are likely to be covered by employer plans. The health plan costs of these workers are estimated to be about 13% of their total compensation costs.
- Workers aged 65-69 in firms that previously excluded them from the health plan will lose the $1,600 subsidy to their compensation costs that they previously received by virtue of Medicare coverage.
- One outcome of the amendments may be that some workers aged 65-69 will feel pressure to refuse coverage under the employer health plan in order to increase the likelihood of gaining or retaining employment.
- Because other considerations regarding employment of older workers are probably more important than changes in health plan costs, even for especially affected firms, it is unlikely that the changes will have a significant effect on older worker employment (Anderson, Kennell, and Shiels, 1983).

will enable those older employees whose jobs might be jeopardized by increased employer costs to refuse private coverage in order to increase the likelihood of gaining or retaining employment.

WORK ARRANGEMENTS

Alternative work arrangement issues generally involve only employers (public and private) and employees, and they are less constrained by legislation than are benefits and compensation. Part-time work is the most common arrangement directed at older workers (Root and Zarrugh, 1983). Others are job modification, flextime, and lateral transfers or demotions to reduce stress.

Although many older persons are interested in part-time work, most part-time workers are either married women with children or students (Jondrow, Brechling, and Marcus, 1983). Many older workers take full retirement rather than shifting to part-time work because part-time work does not pay enough (usually entails a wage penalty of 20% or more) rather than because part-time work is not available. Reducing insurance taxes, removing the Social Security earnings limit, or offering subsidies would all appear to be ineffective in drawing more older persons into existing part-time work arrangements. In general, initiatives to create part-time jobs without reducing the wage penalty for part-time work would not be likely to attract older workers who have alternatives.

The problems that employers face in providing well-paid part-time work are not trivial. The administrative cost for a part-time employee is generally the same as that for a full-time employee but must be spread over fewer productive hours. The cost of employer-provided group health insurance is increased and is also spread over fewer hours. In addition, in some public systems where the number of positions allotted to an agency is fixed, a job slot is a job slot, whether filled by a part-time or full-time employee; changing public employment and civil service systems can be both time-consuming and costly (Gollub, 1983).

Job modification or redesign involves altering a full-time job to provide less physical or mental stress or time pressure. It is seen as less feasible than providing part-time work, except where redesign avoids Worker's Compensation benefits (Root and Zarrugh, 1983). Part-time work is less individually tailored and easier

SURVEY FINDINGS ON RETIREMENT

Of 333 older workers surveyed by Andrus Gerontology Center, 53% would be willing to delay a planned early retirement (at or before age 62) if work options were available. This was true even though more than 90% said their retirement income would be adequate. The favored option was part-time work at the same job.

LABOR MARKET PROBLEMS OF OLDER WORKERS

According to Andrisani and Daymont (1983), the problems that may limit the labor market participation of older workers include:

- Negative stereotypes that can work against older persons in hiring and job assignment and promotion decisions.
- Lack of part-time employment options appropriate to the needs of many older workers.
- Less access of older persons to training opportunities that would enhance their prospects for continued employment.
- Minor disabilities that may force older persons out of positions for which they might otherwise be well qualified.
- Lack of mobility, since older workers are more reluctant to sell a home, leave their community, and move to where the work is.

to administer. Job modification was not a preferred option for managers surveyed by Andrus Gerontology Center, although informal job modifications were apparently used from time to time, when needed or convenient (Paul, 1983). Unions have traditionally resisted both job modification and part-time work, feeling that either could be used against employees. According to both managers and employee association members, the easiest form of job modification is to go to work for someone else.

What unions do agree on is using lateral transfers where possible to provide aging workers with less strenuous or stressful work—shifting groundskeepers from hilly to level ground or maintenance personnel from multi-site to single-site maintenance, as an example. However, lateral transfers can ignore one of the primary assets of older workers, which is their knowledge of the specific job they are used to doing; working part-time at the same job makes better use of that asset.

Employers are often unwilling to provide more flexible work opportunities, redesign work tasks, or increase part-time work arrangements because they believe such changes would result in increased labor costs. Redesigned work tasks or lateral transfers entail some training costs. Part-time work has higher per-hour administrative costs in employee benefits and payroll taxes than full-time work. Managers may also fear that there will be negative effects on employee commitment and productivity (from demotions, for example), additional administrative work, or simply unknown costs.

Job sharing is a specific form of part-time work in which two employees share a single job and its benefits (to the extent permitted by law). It has been used for older teachers with tenure to avoid layoffs in situations where the school population is declining, (Paul, 1983). It may also be useful for industries seeking to retain skilled workers during a recession.

"Flextime" is a measure often suggested as desirable for older workers. For example, coming to work early and leaving early could enable older workers to avoid the rush-hour traffic. However, not all types of work are amenable to flextime; jobs requiring teamwork or work on a production line, for example, may not be suitable.

CHANGES WITH AGE

Stereotypes that people become much less capable with age reflect a confusion between age and ill health. Even the healthy human body goes through changes as the organism ages, but people compensate for those changes:

- Changes in vision are compensated for by corrective lenses.
- Changes in visual processing (where it takes longer to make sense of a complex pattern) are compensated for by taking greater care (e.g., driving in traffic).
- Changes in hearing—loss of ability to hear high tones, for example, or difficulty in processing several sounds at once—are partially compensated for by listening more intently.
- Changes in strength occur because the human body loses muscle mass with age. A weight-lifter can't lift as much at 60 as at 25, but some 60-year-olds can still lift more than many 25-year-olds.
- Reaction time slows down. Older people compensate for this by being more cautious and anticipating trouble. They have fewer accidents caused by carelessness.
- The method of learning changes. Older people learn by building on what they already know, not by rote. But they still do learn.
- Older people show more anxiety in timed tests and the anxiety results in more errors. In untimed tests, they perform as well as younger ones.

Older workers tend to be more cautious, take fewer risks, and work more carefully than younger ones.

(Compiled from several sources, including: Baker et al., 1982; *Generations*, Summer 1982.)

Factors motivating changes in employer practices for older workers vary from firm to firm. However, according to Paul (1983), although the 1978 amendments to the Age Discrimination in Employment Act (ADEA) and state policies eliminating mandatory retirement stimulated employer creation of such employment options as permanent part-time work and job redesign, four basic characteristics of employers determine what they will do. These are organization culture, labor-management relations, need for options to meet employer goals, and economic conditions. (Practices that appear feasible in times of economic strength and good profit margins turn into luxuries during hard times.)

EDUCATION AND RETRAINING

Two groups of older workers face significant difficulty in finding employment: people who have very few marketable skills (including displaced homemakers) and workers who have obsolete skills and need retraining to meet changing labor requirements. In addition, older workers whose skills are seen as inadequate or obsolete may cease to be promoted or may be laid off before they are ready to retire.

At the same time, the public and private education systems in the United States, developed primarily to provide the young with skills needed to enter the labor force, have the resources needed to provide training and education for older adults. Even in schools that do admit older adults, however, teaching methods and curricula are generally designed to fit the way young people learn. Also, the existing Vocational Education Act allocates federal vocational education funds to states under a formula weighted to recognize the presence of younger people, and this weighting influences the public institutions that provide vocational education to enroll youth rather than older workers.

Public programs that provide job-related training have also focused primarily on younger people. For example, displaced homemaker programs do not assist persons over 60, although a 60-year-old widow may be expected to live 24 more years and may be able to work for another 10 to 15.

Although there has been a past public investment in programs to assist in employment and training, these programs may not be the complete answer to

THE POTENTIAL OF EMPLOYMENT-TRAINING PROGRAMS

The CETA and SCSEP programs have helped disadvantaged workers gain more employment and income (Rupp et al., 1983). CETA participants increased the probability of their being employed by 9 percentage points within 15 months; they gained an average of almost 5 weeks of employment because of their participation.

This suggests that programs designed to educate, retrain, and place older workers under JTPA will have prospects of increasing employment. However, new programs will need to be designed so that they are attractive to older persons (to increase participation) and well linked with employers (to create jobs and adaptive work arrangements).

Under the JTPA, coordination issues may take a different focus, but those designing and operating JTPA programs may need to think carefully about the other resources that could help training and placement, in order to maximize employment among older JTPA trainees.

problems that older workers experience. A relatively large number of older persons have been eligible for participation in public employment programs—CETA. About 7 million persons, or 10% of the population 45 and older, and 5 million persons aged 65 and older, or almost 11% of that population, were eligible for CETA training. (The new Job Training Partnership Act, which began October 1, 1983, has a 3% set-aside for training older adults.) Yet only a small fraction of those eligible participate, and the percentages decline with age. This is true even though those older workers who participated in CETA programs had an employment rate of 53% as opposed to 44% for those who were eligible but did not participate (Rupp et al., 1983). In addition, older workers who registered with the U.S. Employment Service were much less likely than younger ones to be referred to training programs (Johnson, Dickinson, and West, 1983).

Several factors might explain why participation was low. CETA was perceived as being targeted primarily toward younger age groups, for example (Rupp et al., 1983). In addition, many older adults who were eligible may have been in poor physical health or may not have wanted to train for work . They may have had little confidence that the training would actually result in a job, or they may not have expected to need a career or to stay in the work force long. In addition, those living with several family members may have shared the family income and contributed at-home labor (cooking, child care) in return. Rupp, Bryant, and Mantovani (1983b) found a negative relationship between family size and CETA participation.

Findings suggest that the number of training programs for older workers, whether in the public or private sector, could be increased. Public sector training programs have often been criticized for preparing participants for jobs that no longer exist (e.g., typist instead of word processor operator). Thus, public training programs could also be improved to match opportunities that respond to older workers' needs.

The National Policy Center on Employment and Retirement at the University of Southern California reports that more than technical training is required for women reentering the work force. Confidence building, networking, and other work-related attitudes and skills need to be developed.

CETA II-B PARTICIPATION
OF OLDER ADULTS

Age (in years)	Percent of Population Eligible	Percent of Eligibles Participating
55-61	10.8	0.95
62-64	8.9	0.51
65-70	9.6	0.27
71 +	12.0	0.08
All those over 55	10.7	0.5

COORDINATION AND EMPLOYMENT PROGRAMS

Coordination (where it worked) was very important to helping older workers gain participation in CETA II-B and in SCSEP programs. Each program offered special resources to older people (training, work experience, income) but, in the most effective programs, these were linked together. Also, where SCSEP and CETA worked in coordination, they were more likely to coordinate with other agencies as well, such as Vocational Education providers. About 60% of those eligible for SCSEP were not eligible for CETA II-B. However, when coordination occurred between these programs, older workers could receive the training of CETA with the employment and income subsidy of SCSEP (Reesman, Rupp, Mantovani, 1983).

The issue of the return on investment in skills and knowledge affects the way government and business view education and retraining. It is apparent that, in the public sector, training the young results in many more years of return; to offset that, training older adults can result in fewer years of need for public sector funds to supplement an inadequate income.

Firms employing significant numbers of highly skilled workers (e.g., engineers and scientists) benefit even more than service businesses from effective retraining programs because such workers are much more susceptible to skills obsolescence (Andrisani and Daymont, 1983). These employers are beginning to consider formal skill upgrading programs. Otherwise, they will suffer declines in productivity as their employees grow older and competition for new graduates increases.

Employer reluctance to provide special opportunities for upgrade retraining or rehiring of older employees may result from age stereotypes (the belief that older workers tend to be less well educated, or less willing or able to learn than younger ones) or from cost-effectiveness arguments (older workers may retire too soon to justify any additional training expense, or their wages are so high that training presents a significantly higher cost to the company).

In actuality, the years of return can be greater for training older workers than for training younger ones (Root and Zarrugh, 1983). Older workers are likely to stay on with the same company until they retire; younger ones are likely to move on to another company to improve their position (Paul, 1983). Also, Root and Zarrugh point out that the anticipated future work life of an employee in the age range 50-60 can exceed the expected life of a new technology for which that worker could be trained. Nonetheless, only 13% of programs they identified focus on training for older workers. Root and Zarrugh ascribe the scarcity of training programs for older workers to the reasons that companies hire or retain older workers: the company needs the worker's skill or experience, or the company wants to fill a position that entails less than full-time work. Training is not necessary to meet the first objective and may be too expensive to meet the second. An exception is a petroleum company with a sales force of 3,000, of whom 500 are 60 or over. The company trains all new salespeople and is willing to hire retirees and train them regardless of their former education and careers.

EDUCATION AND EARNINGS

According to Andrisani and Daymont (1983), the value of an education, while still high, diminishes measurably for an older worker; after age 50, value declines for every year since education ceased. However, education is still very important for special worker populations, such as women or minorities. Every additional year of education pays off—more so for minorities than for women (Clark, 1983; Kohen, 1983).

According to a Louis Harris Survey for NCOA:

- The number of people over 40 seeking to learn specific job skills doubled between 1974 and 1981.
- 56% of respondents aged 55-64 were taking or had recently completed educational courses to acquire marketable job skills (Louis Harris and Associates, 1982).

Few employers offer continuing education to workers and retraining is rarely provided to older workers; there is a gap in opportunities to update worker capacity. Also, older workers are not always informed about the need to stay competitive. Each sector could benefit by providing education and retraining opportunities.

Volunteer work is one way in which older adults with rusty skills (such as displaced homemakers reentering the labor force after many years at home) can gain some training and recent job experience. However, only one older adult in five participates in volunteer work (Jusenius, 1983). In addition, the unemployed generally lack the resources to invest in this kind of training. Unions sometimes oppose volunteer work, because it may be used as a tool to reduce the number of paid employees. In addition, many nonprofit organizations resist the use of volunteers because of the associated costs and penalties (scheduling, finding backups when volunteers don't show up, compensating for tasks inadequately performed, high turnover, and the like).

From the worker's perspective, training and exercising the ability to learn throughout life are associated with improvements in job level. When Andrisani and Daymont (1983) examined professional and technical workers in a high-tech industry, they found that continued on-the-job training offset skill obsolescence and the effects of age on income. Those who continued to take training courses continued to be seen as valuable enough to be promoted (or kept on during reductions in staff).

In addition, training is seen by some (such as the American Management Association) as being one way to deal with employee boredom and discontent at all ages, and as one way of increasing productivity and preventing the "drone syndrome" (in which employees are merely marking time in their position for the last few years to retirement).

A second kind of training is training and education that will prepare employees for the realities of retirement. Again, this costs money, although there are some courses that can be administered by a company instructor (using prepared videotapes and printed handouts, for example). Some argue that realistic training in preparing for retirement would result in fewer employees choosing early retirement, although there are no figures to support this claim.

MARKETING AND PLACEMENT

Marketing in this case means making known the advantages of hiring older workers (greater loyalty, greater commitment to the employer). In the case of the

VOLUNTEERISM AND RETIREMENT

If older adults extend their working years, will there be an effect on the shift to volunteerism expected as government's role declines? According to Jusenius, "Policies that encourage people to work more years rather than retire early are not likely to have a significant impact on men's participation in volunteer activities...Policies that permit moving from full- to part-time work are likely to increase somewhat women's participation" (Jusenius, 1983). Jusenius points out that in 1981, only 19% of those aged 65 and over participated in formal volunteer efforts, in contrast to 35% of those aged 25-44. Also, of the 20% of men aged 57-71 years who did volunteer, only about one-third performed volunteer activities every week (Jusenius, 1983).

REQUIREMENTS OF MARKETING AND PLACEMENT ASSISTANCE

- Marketing and placement efforts need leadership from all sectors to succeed, but can start with organizing or improving acknowledgment of older adults in Private Industry Councils and other employment services.
- Different older workers may require different types of employment marketing and placement assistance—e.g., displaced workers looking for full-time work are different from retirees looking for ways to supplement their income.
- Attitude change among employers, particularly recognition of older adults as part of the labor market with employment skills, is an important topic for marketing efforts (Gollub, 1983).

displaced older worker, there are also established attitudes toward work, greater caution, judgment, and the like (Paul, 1983).

Older workers are a diverse population. They include displaced workers, minority workers with lifetime histories of labor market difficulties, retired persons seeking to supplement their income, and displaced homemakers. No one marketing approach would be valid for all groups, but all face the principal obstacle of increasing employers' acceptance of older workers.

Beyond marketing to increase their acceptance, there is the need to match older workers' needs and skills with job opportunities. In most communities, older workers or older labor force entrants are not a known quantity in the same way that recent high school graduates are. Nor are companies willing to invest in extensive personnel searches for older workers whose skills match their openings. There is a need for local placement mechanisms that examine local labor markets and match older workers to existing jobs, or that devise strategies for bringing jobless older workers back into the local economy.

In general, placement and marketing services for older workers are not common, although a variety of informal placement organizations for older professionals have operated for a long time. Most services have not kept pace with the increase in the number of older adults who want jobs, at least in part because of funding cuts and the recent recession.

Johnson, Dickinson, and West (1983) found that U.S. Employment Service applicants who were displaced workers over 55 received job development efforts rather than job referrals. That is, the Employment Service worker called a company and asked whether the company would be interested in a man or a woman with the qualifications the applicant had, rather than referring the applicant for a particular opening. Job development efforts were associated with far longer spells of unemployment than job referrals (Johnson, Dickinson, and West, 1983). Older workers generally ask for a higher wage than younger workers, and Employment Service placement workers tend not to make referrals to jobs with lower wages.

In general, employees and managers do not see themselves as discriminating against older workers. However, older workers see their experience as valuable

THE EMPLOYMENT SERVICE AND THE DISPLACED OLDER WORKER

The U.S. Employment Service is the chief placement service for all unemployed and displaced workers. However, according to Johnson, Dickinson,and West (1983), not all workers are served equally. Displaced workers over 45 years old received fewer job referrals than displaced workers aged 25-44 (15.5% fewer if they were men and 6.3% fewer if they were women). Fewer than 1% of all applicants received referrals to training, but those who did were under 45 years old. Applicants over 45 received less testing than applicants 25-44, but more counseling.

Differences in the rate of job referrals, which are closely linked to obtaining new jobs (more closely for women than for men), were found not to be due to differences in characteristics between older and younger applicants.

but their age as posing a problem. In addition, displaced older workers may not know how to search for jobs; many have not had to do so for a decade or more (Shapiro and Sandell, 1983). Other groups may not be aware of the benefit of investing in training or retraining. For example, women historically have received far less on-the-job training than men, and older women reentering the labor force may not be aware of the potential for on-the-job training that some employers offer.

As state Job Training Councils and local Private Industry Councils (PICs) implement the Job Training Partnership Act, with its 3% set-aside for older people, they seek ways to demonstrate their viability as job brokers and developers. Few PICs, however, work with the older worker labor market segment or have older worker subcommittees. Those that do will probably serve as models for future projects for older adults under the JTPA legislation. The same absence of older worker representation seemed to characterize many local CETA prime sponsors. Given these circumstances, CETA programs that focused on older workers were likely to be rare.

The major federal program focusing on employment of older adults has been the Senior Community Service Employment Program funded by Title V of the Older Americans Act. The program is run by the states and eight national organizations: Asociacion Nacional pro Personas Mayores; Green Thumb, Inc.; National Council of Senior Citizens; National Retired Teachers Association; American Association of Retired Persons; National Urban League; U.S. Forest Service; and National Center for the Black Aged. Originally conceived as an income subsidy that would help expand community services, SCSEP has since been expanded. It now provides job clubs and job fairs, with the goal of placing approximately 15% of its workers in unsubsidized jobs. Thus, SCSEP might become an important element of future marketing and placement initiatives.

CONCLUSION

The four issue areas through which older worker employment options can be addressed—benefits and compensation, work arrangements, education and retraining, and marketing and placement—are individually often difficult to respond to. Yet each of these areas can significantly affect who among those over 65 works.

Workers who are receiving pensions and Social Security retirement benefits are likely to continue to respond to the earnings limits set by the pension or by Social Security by ceasing work when the limit is reached. The effect of the Tax Equity and Fiscal Responsibility Act may be to impose an obstacle to full-time work past 65 since it removes the subsidy provided when Medicare could substitute for employer-provided health insurance for those workers.

Work arrangements that impose a significant cost on the employer or a significant wage penalty on the employee are likely to be adopted only when some other purpose is also served. That is, job sharing may be used when it is necessary to reduce labor costs without laying off staff. Part-time work at significantly lower wages may be attractive when the purpose of work is social rather than self-support.

Education and training appear to be powerful means to increase the employability of older workers. However, employers are likely to continue to train only their existing employees, and only those whose training benefits the company (e.g., retraining aerospace engineers skilled in analog methods to use digital methods). At the same time, almost all localities have training resources in their secondary and postsecondary school systems that could be used for training older adults for new jobs if employers and school district personnel worked together.

For those older adults who have salable skills, marketing and placement appear to be powerful ways to overcome the mutual lack of information that helps keep employers and older workers apart. The resources for providing marketing and placement seem to lie in the community sector, rather than with either business or government.

The following section of this guide shows how each sector can begin to play a role in shaping new responses to these increasingly visible issues, by using the basic policies and practices their organizations control.

IV PUBLIC, PRIVATE, AND COMMUNITY POLICIES AND PRACTICES: WHAT THEY ARE AND WHO USES THEM

WHY POLICIES AND PRACTICES ARE IMPORTANT

Increasing employment options for older adults could be approached by setting up a large, federally funded program, but many things can be done now, in companies and localities without waiting for large national efforts. This section presents the policy tools that can be used, and Sections V, VI, and VII show how they are being used. Many local governments have started to recognize that they can sometimes address problems not by spending more on public programs, but by changing their legal, administrative, and tax policies to encourage action in the private sector or to encourage more productive use of existing resources. Businesses, too, have increasingly found that addressing local social problems by making changes in corporate policies and practices (rather than merely contributing money for remedies) can be advantageous. Community groups and nonprofit agencies also have recognized that many problems cannot adequately be addressed by remedial or stop-gap measures when the forces that cause or contribute to those problems continue unchanged.

For many years, both the public and private sectors have followed policies whose effect has been to encourage older workers to drop out of the labor force. Some of these policies were established during the Depression years of the 1930s, when the number of jobs in the country was seen as limited so that older workers would have to step aside to give younger ones their turn. In that period, life expectancy was less (62.8 years for men and 67.3 years for women in 1939), fewer illnesses were curable or chronic conditions controllable, and physical strength and endurance rather than education and specialized skills were the basic requirements for much of the labor force.

Because those conditions no longer apply to the extent they once did, pressure is being brought on various sectors to "do something" about the large number of older people who for one reason or another lack adequate income. One response

SOME BASIC PRINCIPLES OF POLICY AND PRACTICE ALTERNATIVES

- There is always more than one to approach a problem or meet a need. If one policy option or set of options is not feasible, others can be developed and tried.
- How a problem is defined and how the forces acting on it are diagnosed determine the types of alternative policies and practices likely to affect it. A narrow definition limits what can be done. Redefining the problem in terms of forces and causes is the most immediate way to increase the number of policy options that can be used to address it.
- Policies and practices have more power in combination than in isolation. The more aspects of a problem or need that are addressed, the greater the effect.
- The effects of a policy or practice alternative depend on the interaction of economic, demographic, social, and political forces in a local context. An alternative that has a weak effect in one locality or at one time may have a strong effect in another place, or at another time.
- Policy and practice alternatives have secondary as well as primary effects and often shift costs from one group or sector to another. When an alternative is used, all of its effects should be expected to follow, not just the primary or cost-saving ones. (Public Policy Center, SRI International, 1983)

to that pressure was the Senior Community Service Employment Program, authorized by Title V of the Older Americans Act, which provided public sector jobs for low-income older workers. A different response, emphasizing a policy change rather than the provision of a public service program, was the Age Discrimination in Employment Act. To encourage employment of older workers, ADEA outlawed the denial of jobs (or promotions) solely on the basis of age. At all levels—in companies, communities, and states—where lack of employment opportunity for older workers remains a problem, even in a recovering economy, there are many policy tools that can be used to increase employment opportunities.

WHAT POLICY ALTERNATIVES ARE

"Policies" are written rules or uncodified practices that govern the behavior of institutions or groups of people. "Policy alternatives," then, are possible changes in such rules or practices that can alter behavior (for example, of employers) and lead to different outcomes (such as employment opportunities).

Governments make policies that affect older workers (for example, Social Security laws), that affect public and private employers (mandatory retirement laws), and that affect the way government itself behaves (civil service rules). These policies will result in different outcomes in different localities and different employment situations, depending on economic, demographic, social, and political factors.

Business and other institutions also make policies and follow practices that affect individuals (such as benefits offered and internal retraining programs). Some of these policies can be affected by government policies. Others may be changed out of self-interest or a sense of mutually shared concern. Some cannot be easily affected.

Community organizations make policies that involve resources and leadership (for example, Private Industry Council practices on older worker employment) These policies and self-help actions can lead to changes in other sectors.

In effect, the policies of each sector constitue parts of a larger "policy environment." This environment, therefore, contains the forces, or social and economic influences, that help create or eliminate aspects of employment problems for older workers.

DEFINITION OF TERMS

Policy Options

Possible changes in one or more policies by an organization (agency director, elected official, community group, corporate leader, or concerned citizen) to address problems (e.g., developing part-time employment options). Such policy changes affect the behavior of markets (labor), institutions (business, government), and individuals (families, neighbors, employers).

Problem-Solving Tools Used by Each Sector

Types of policy tools used to create policy options:

Public Sector. Governance powers (including regulation and deregulation, tax policy change, changes in administrative procedures) and relations with the nongovernmental sector.

Private Sector. Business personnel and operation decisions, investment decisions, corporate giving, use of manpower and facilities, and business "clout."

Community. Self-help, cooperative actions, voluntary assistance, advocacy, family and informal support networks.

Policy alternatives to address employment opportunities are not new. What is new is the growth in knowledge about the range of choices that may be applicable to the employment issue and the information about how to decide which options are right for a particular community or organization. This information can help employers, public agencies, and community leaders to consider not only the services they can provide to those in need of employment, but also the array of policy alternatives available to address the forces that are causing or aggravating the employment situation. This might be called a "total community resources" perspective.

Most policy alternatives now in use are isolated, single measures that arose because someone had a good idea and carried it through. Although a single policy alternative may help to solve a problem or meet part of a need, a concerted strategy using a combination of public, private, and community policy options is more likely to affect all the parts of an employment picture. Measures can supplement or complement each other. Sometimes, one measure can amplify another or neutralize an undesired effect of another.

TYPES OF POLICY TOOLS AND ALTERNATIVE PRACTICES

The policy practice framework presented here is based on both individual and collaborative application of tools available to each sector. Depending on the particular situation, any combination of government, the private sector, and the community may be involved in policy change, each perhaps in a different way.

Public Policy Tools

There are seven policy tools that can be used by state and local government to effect changes:

- **Regulation and deregulation**—Using the powers of the state or local government to constrain or enable an activity to protect public welfare. An example might be laws forbidding age discrimination in employment.
- **Tax policy change**—Using the power to levy or reduce taxes as an incentive to action or a means of financing services. An example might be a tax credit for firms employing displaced workers.

- **Program innovation**—Using existing program resources to develop models of new ways of addressing problems or to provide "seed" money investments for programs that will continue as privately funded initiatives. An example might be assisting efforts to educate employers and develop data on older workers.
- **Administrative reform**—Redefining operational policies and practices that affect how existing business is transacted and how resources are used. An example might be allowing permanent part-time work in public sector positions.
- **Collaboration with the private sector**—Using incentives and exhortation to encourage business and the nonprofit sector to address a problem by using their resources in new ways. An example might be school board members working with local industry to revise education programs and build in corporate partnership.
- **Promotion of self-help**—State and local government use of their staff, facilities, and incentives to enable those who have not been helping themselves to link with one another and provide mutual support. An example might be making public facilities and staff available to help start job clubs and job search activities for older workers.
- **Public sector advocacy**—Government use of its leadership and legal powers to encourage its own agencies, neighboring jurisdictions, state government, and private employers to change their policies and practices. An example might be state efforts to encourage linkage of local government with Private Industry Councils on older worker employment issues.

Private Sector Tools

There are five private sector policy tools that business can use to help address how problems are solved:

- **Business operations**—Companies can modify their hiring, training, scheduling, and benefit policies and practices to promote employment opportunities for workers. An example might be establishing permanent part-time employment and temporary work pools.

- **Placement of investments**—Investment portfolios can be invested in new and nontraditional ways to produce direct and indirect benefits to the labor force. An example might be placing new facilities in communities where there are significant numbers of displaced older workers.
- **Use of corporate manpower, knowledge, and facilities**—Business can donate or lend in-kind resources to assist older workers in preparing for and finding new employment opportunities. An example might be providing technical expertise for revision of policies governing public and private employee benefits to accommodate the needs of older workers.
- **Corporate philanthropy**—Businesses can help make program-related loans or can provide seed grants to help initiate job development programs for older workers. An example might be providing a grant for an older worker employment placement program.
- **Corporate leadership**—A company can use its prestige and clout in the business and government community to mobilize and urge changes in practices and policies. An example might be backing local employment development initiatives in the community.

Community Sector Tools

The community sector includes a number of different types of organizations whose resources encompass those of individual members and those of the institutions they represent. Among community sector groups are small self-help efforts, nonprofit service organizations, foundations, unions, and business organizations. This broad "third sector" has four types of tools it can use to address problems:

- **Development of community self-help**—Individuals sharing common concerns can organize to solve some aspects of their problems through pooling their own resources. An example might be job-search clubs for workers seeking employment following retirement.
- **Use of volunteers**—Members of the community, including those in need, are able to help reduce barriers to finding employment through making their own time available to existing organizations. An example might be providing job preparation skills to employment service organizations.

- **Targeting foundation resources**—Community foundations can help organize and support both services and new problem-solving activities that focus on older worker employment issues. For example, they might provide financial support for educational materials and forums on older worker issues.
- **Community-based service organization actions**—Existing groups can play different roles using their current resources to help increase employment opportunities. For example, they might offer assistance in identifying jobs and in placement.

WHO USES POLICY AND PRACTICE ALTERNATIVES

Employers

Employers in both the private and public sectors are reassessing their practices toward older workers. In large part, this reassessment is due to the changing labor market with fewer young entrants and a slowdown in the rate of increase of working women. Employers in certain skilled industries see a high average age in their existing work force and the need to retain trained and experienced personnel. Other employers, such as banks, need access to a labor pool to help them during peak-load periods. Some employers who had used lower wage younger workers almost exclusively, such as fast food chains, now recognize the potential for increased stability from hiring older workers as well.

State and Local Policy Makers

Public officials, as both policymakers and employers, are most likely to become involved in older worker issues from either of two viewpoints: fiscal considerations or concern for the well-being of older people. Public welfare, health expenditures, and housing assistance can all be reduced if older workers (particularly those too young for Social Security retirement benefits) gain increased self-sufficiency. Older people who continue working will also contribute to state and local taxes. At the same time, public officials must view this issue in more than fiscal terms. The older person who wants to work but is blocked from being able to do so is clearly not being allowed to make positive contributions to the community. The loss of human resources and economic potential is a proper concern of most policymakers.

Community Organizations

A wide variety of community organizations may wish to promote initiatives on behalf of older workers. These include organizations representing older people (American Association of Retired Persons, Gray Panthers, National Council on the Aging), local organizations (service groups, advocacy groups), business associations (Private Industry Councils, Chambers of Commerce), and nonprofit organizations (United Way, foundations, service providers). The key motivation for these groups is to help the older person who wants work to find it.

RECOGNIZING MUTUAL INTEREST

The key motivating factor for employers, state and local policymakers, and community organizations is self-interest. Each group needs to see how the use of policy options and changes in practices will promote particular changes that will benefit its members. Employers need to understand that retraining and hiring older workers is in their economic self-interest in terms of enhanced productivity. Opportunities must be found where "doing good" (expanding older worker options) also means "doing well" (enhancing productivity, reducing costs, increasing profits). Each employer will use an individual economic calculus to decide whether this will be the case.

Public officials need to see a payoff as well. Meeting the needs of an important elderly constituency can have political benefits for elected officials. Increasing work opportunities and thereby reducing the need for some form of public assistance can also make these efforts worthwhile. Helping employers meet potential skill shortages can make them less likely to move their plants.

Finally, community organizations need to see the value in this type of activity. Some community organizations may see jobs for older workers as an effective way to address their concern for independent living. Helping an employer find the right worker at the same time that an older worker is being helped can mean that everybody wins—the community organizations, the employers, and the older workers.

CONCLUSION: USING POLICIES AND PRACTICES IN COLLABORATIVE WAYS

Although all of the policy tools and practices discussed can be used individually by a company, a government, or a community group, there is an emerging trend toward the collaborative use of these options by coalitions and task forces to address specific local situations. These new thrusts in thinking about problems emphasize the use of the full set of resources available in the community for problem solving. One reason for this emphasis is that each sector faces limitations on what it can do by itself:

- In the public sector, increasing financial constraints and resistance to changes in traditional service provision have contributed to reluctance to explore new approaches to problem solving.
- In business, preoccupation with short-term bottom-line concerns in a period of economic recession has limited the introduction of policy changes that might entail a cost.
- In the community sector, nonprofit organizations have increasingly found themselves on the defensive as government funding has declined, making it difficult for them to field new efforts.
- Major organizations representing business (National Alliance of Business), government (U.S. Conference of Mayors, National Association of Counties), and the nonprofit community sector (United Way, Cleveland Foundation), have encouraged their constituents to explore new directions in collaborative problem solving.

From the growing wealth of community experience with collaborative problem solving—which is frequently experimental or reactive in nature—a number of principles seem to be emerging. These include:

- **An increasing recognition of a mutuality of interest**—demonstrated by problem-solving coalitions emerging in communities to address key issues such as education and training.

WHO USES POLICY OPTIONS?

Employers

- Part-time work
- Job sharing
- Job redesign
- Pension and retirement policy changes
- Retraining
- Active recruitment of older workers

State and Local Policy Makers

- Legislation of flexible work
- Elimination of mandatory retirement
- Retirement policy changes
- Retraining programs
- Community education
- Development of older worker job search groups

Community Organizations

- Education of employers about options
- Education of older adults about options
- Training programs
- Brokerage
- Job search

- **Taking a fresh look at problems**—examining key factors that underlie the problem and could contribute to its solution.
- **Use of traditional tools in new ways to solve problems**—ranging from the modification of public policies and changes in business hiring practices to new actions by community organizations.
- **Experimentation with new approaches**—which involve new roles for each sector and an emphasis on redesigning community systems to address the causes of problems more effectively.

These principles provide a new basis for understanding what might be required to develop effective new initiatives on employment of older workers.

The following sections (V, VI, VII) review what employers, state, and local government, and community organizations are doing, using their policies and practices to respond to older worker employment needs. Each section reviews what the individual motivation of each sector is, and how they have taken action on benefits and compensation alternatives, met work arrangement needs, developed education and retraining opportunities, and provided marketing and placement of older workers. The examples in that discussion illustrate what the research has found to be workable, and successful actions that might be considered by business, government, and community groups in other localities.

V EMPLOYER AND LABOR INITIATIVES

EMPLOYER AND UNION INTERESTS

Employers are interested in older workers for several reasons. First, retired employees who can be rehired for peak loads, fill-ins, or part-time work require less training than new hires. Second, employers are aware that inflation has altered the retirement expectations of some of their older workers, who may now be reluctant to retire early. Third, ADEA has altered the way many employers view older workers.

Both the population as a whole and the work force in some industries (such as the financial industry) are aging. In time, a larger proportion of the work force in many industries will be made up of older workers. Also, in some cases, older workers may have valuable skills that are difficult to replace. At the same time, employers are rethinking their pension and benefit programs, as costs of these programs escalate. Government regulation of pensions and benefits (particularly the Employee Retirement Income Security Act [ERISA] and the Tax Equity and Fiscal Responsibility Act [TEFRA]) provides yet another reason for employers to rethink their policies regarding older workers. This section of the guide reviews specific employer initiatives in the four key issue areas. Unions generally are in favor of retirement by their members at age 55 to 65 to increase employment opportunities for new members. "30 years and out" has been a long-time philosophy of union members. Today, however, labor unions are also interested in assisting older workers as the work force represented by unions ages, and as industry restructuring threatens displacement of workers of all ages. Such issues as income security and training/retraining have attracted special attention. Unions have actively sought to introduce incentives for maintaining income security and disincentives for bypassing older workers or ignoring seniority considerations in new labor agreements.

BENEFITS AND COMPENSATION

Expenses for employee benefits have risen rapidly in recent years, as fast as 30% per year in some firms. Contributions to pensions are an issue, but less so than

REASONS EMPLOYERS DEVELOP EMPLOYMENT OPTIONS FOR OLDER WORKERS

The characteristics of firms that help explain their decisions to make employment options available to older workers are identified by Paul (1983) as follows:

- The culture of the organization and the image that the employer wishes to project.
- The character of labor management relations—specifically, the cooperation or participation of labor in favoring employment options for older workers.
- The need for the option in the workplace, which means the need to meet productivity goals or labor demand.
- Business conditions, since economically distressed employers are forced to offer fewer options.

Two reasons that older workers do not take advantage of employment options are:

- Management doesn't communicate that the options are available.
- There are reductions in salary and benefits associated with part-time work.

EMPLOYER INITIATIVES IN BENEFITS AND COMPENSATION

- Permit hiring of a firm's own retired workers on a part-time or temporary basis (no further benefits paid).
- Use retirees as consultants for special assignments, with compensation rates acknowledging absence of benefits.
- Allow retirees to collect benefits while working.

health-care costs. Unlike health-care plans, however, pensions are an important tool for shaping the work force. For example, companies can offer early retirement at higher (or full) entitlement levels to induce poor performers to retire or reduce the work force at the high end of the wage scale.

Benefits and compensation of newly hired older workers who have not yet reached retirement age seem to be indistinguishable from those of younger workers. The one exception is that ERISA has been interpreted as allowing persons hired within 5 years of normal retirement age (65) to be excluded from company pension plans. Thus, most of the initiatives identified have to do with post-retirement workers or with those over 65 who have not yet retired.

The extent to which pensions are being used to accommodate older workers is controlled by both federal regulatory policies (ERISA) and the economic climate in which the firm does business. Since few employers have recognized the utility of maintaining workers past the usual retirement age of 62 or 65, flexible pension policies have been relatively rare.

Firms can offer partial pension benefits to workers who work up to a certain number of hours a year. In addition, firms can create subsidiary corporations through which a retired worker can be employed on a part-time or temporary basis. Whatever the difficulty, if the firm would like to employ older workers, preservation of the additional income to the employee seems important as an incentive to continued work. A more common practice, which avoids the problem of restructuring pension benefits, is to permit employees to continue to accrue pension benefits. This provides the incentive of additional, but deferred benefits. There are differences from firm to firm, with some firms not permitting accrual at the same rate for workers over 65 as for those below that age.

Several illustrations of how employers have structured their benefits and how unions have promoted income security are presented below.

Temporary Labor Agency

Union Carbide's pension plan previously had a policy precluding hiring of its own retired employees. To avoid this policy problem, the company rehired workers through an older-worker employment service, Mature Temps. Firms like

The Age Discrimination in Employment Act and amendments to the Employee Retirement Income Security Act (ERISA) do not specify any ways that employers' pension contributions must or can be continued for workers who remain employed to age 70 and beyond.

Employer options for pension flexibility can be illustrated as follows:

- An employer may cease to accrue pension funds for workers over 65. The employees will then receive benefits based on a percentage of their income multiplied by the years worked before 65. They will receive benefits based on this amount whether they retire at 65 or at 70. Furthermore, depending on the pension plan, older workers may lose pension benefits if they continue to work.

- An employer can also give a benefit at age 70 that is actuarially equivalent to what an employee would be entitled to at age 65, with added interest on the value of the benefits earned. The worker will receive a higher benefit, but for a shorter time (because of shorter life expectancy at age 70).

- An employer may continue to give full contributions to the pension to age 70. The employee will thus be credited with 5 more years of benefit contributions. This method is actually less expensive in some cases than providing an actuarially equivalent benefit to the retired worker at age 70.

Dun and Bradstreet also rehire older workers through an older-worker agency, the New Life Institute, which is the employer of record. Northrop Aviation has standardized its procedures for rehiring retirees for special assignments when particular skills are required.

Continued Pension Accrual

At Aerospace Corporation in Los Angeles, pension benefit accruals continue after age 65, even to those who have accrued full benefits. In addition, retirees can work a reduced workweek (no more than 1,000 hours per year) while continuing to receive retirement benefits. Newly hired older workers are permitted to participate in the pension plan, even though ERISA permits employers to deny participation to employees hired within 5 years of the company's normal retirement age. Bankers Life and Casualty retirees who work in the company's pool of retirees (which provides both part-time and full-time workers for the company) also maintain their company benefits.

Guaranteed Income Stream Benefit Program

One of the key demands of the United Auto Workers (UAW) in their 1982 Collective Bargaining Agreement with Ford Motor Company was improved job security. However, recognizing that it may not always be possible to provide jobs, the agreement also sought to secure certain income and insurance benefits for laid-off, high-seniority employees. The result was the Guaranteed Income Stream (GIS) Benefit Program. This program provides income and insurance benefits to eligible employees until retirement or age 62. But it also requires that eligible employees be "able and available" for work or retraining that will allow the company to reassign the recipient as openings become available. The program terminates those recipients who refuse new assignments, either within or outside the company, for which they are qualified. However, the program does provide income supplements to those placed in relatively low-paying jobs.

Incentives for perserving the income security of older workers are provided in all phases of the program. From a strictly economic perspective, the company has a positive financial incentive to rehire or find other employment for program participants at the earliest possible date. The program's termination provisions also give laid-off, high-seniority employees a major incentive to accept reassignment within the company or employment arranged by the company elsewhere. The fact that those who resume company employment receive improved health and life insurance coverage, and continue to accumulate retirement plan service credits, makes the employee's incentive even greater.

Overall, the program provides longer-term and more advanced layoff protection for older auto workers than does any other industry. It promotes income security from all angles, designing incentives for both employer and employee to keep older workers gainfully employed.

Summary

Employers who want to maintain post-retirement workers in their labor force have several options regarding benefits and compensation:

- They can permit continued employment, with no additional accrual to the worker's pension or payment of pension benefits until severance.
- They can permit continued accrual to the pension, at the earlier or a modified rate, until retirement.
- They can permit limited work, up to a certain number of hours, as permitted by ERISA or state pension laws, with full pension benefits, after which pension payments may be reduced.
- To avoid questions of benefits, they can hire older workers (including their own retirees) for part-time or temporary work from another organization, usually an employment agency.

WORK ARRANGEMENTS

The most common type of work arrangement tailored for the older worker is part-time work. Other types are job sharing, phased retirement, retiree labor pools, job redesign and transfers, and job retraining. Out of 228 programs for older workers listed in the National Older Worker Information System (NOWIS) maintained by the University of Michigan, 117 are for part-time work (Root and Zarrugh, 1983). Only 20 job redesign and 28 training programs are listed. A

FACTORS INFLUENCING WORK ARRANGEMENTS OPTIONS

According to Paul (1983), managers provide employment options to older workers less for altruistic reasons than because the options represent an inexpensive tool for managing older workers to the benefit of the company. Three of the seven options she studied, for example, were as useful in promoting retirement as in deferring it, and only two (labor pools of retired workers and recruitment of older workers) increased the number of jobs held by older workers.

Root and Zarrugh (1983) noted that only 19 out of 117 part-time work options in their sample of 228 applied to semi-skilled or unskilled blue-collar workers, while 48 applied to clerical and other white-collar workers and 37 to professional and managerial workers. Similarly, only 8 out of 20 job redesign efforts applied to less skilled blue-collar workers.

number of firms, such as Bankers Life and Casualty, Aerospace Corporation, and Travelers, have utilized preretirement counseling to help explain and plan for different work options for retirement-age workers. Many more options are undoubtedly provided by small businesses but are not documented.

Part-Time Work

The National Older Worker Information System lists 48 part-time-work programs for clerical and white-collar workers, 37 for professional and managerial employees, 19 for semiskilled or unskilled blue-collar workers, 7 for skilled blue-collar workers, and 6 for the general work force (Root and Zarrugh, 1983). In addition, about one-half of the New York companies with 100 or more employees surveyed by the New York Chamber of Commerce and Industry offered part-time work to retired employees.

Other firms, such as Tektronix, have policies that permit individuals to retire and return to work if they do not find satisfactory alternatives or do not like retirement. Sometimes, less demanding jobs are offered, depending on individual need and opportunity. Many of these options, however, are germane only to industries where skills of workers are valued and hard to replace. They do not apply as well to less demanding or less skilled work. However, new jobs in less demanding roles may still be satisfying. Commercial State Bank in St. Paul, Minnesota, hires retirees as messengers, parking attendants, and file clerks. These jobs often are well suited to locations where there are high concentrations of low-income elderly, such as inner cities.

Job Sharing

Job sharing involves the sharing of one full-time job by two or more workers. It has been most frequently used by public schools in team teaching situations. Very few job-sharing programs are designed for specific use of retirement-age personnel.

One public school district developed job sharing to avoid laying off young or minority teachers (Paul, 1983). Teachers over 50 were offered a continuation of full fringe benefits for sharing a job with a 50% reduction in pay, but with accrual of pension credits at the full-time rate. Thus, layoffs were avoided. Principals, who had been skeptical, found benefits in having two teachers teach one class, and students benefited as well. In addition, if one teacher was ill, continuity was maintained by the other teacher and no substitute is needed. Overall, labor costs have been reduced. Similar arrangements could be developed in other situations that make use of older workers.

Northern Natural Gas Company has developed job-sharing options that provide reduced work schedules for older workers, who help provide on-the-job training to younger, less experienced workers with whom they share jobs.

Phased Retirement

Phased retirement is a relatively new but fast-growing option for older workers in industry. It involves a part-time work schedule that usually allows for a gradual reduction in work hours, permitting the retirement-age employee to "phase into retirement." Frequently, the work hour reduction process takes place over 2 or 3 years. Jondrow, Brechling, and Marcus (1983), however, found that gradual reduction of hours, even where available, tends to be less attractive to workers than sudden retirement.

Four nationally recognized phased-retirement programs were analyzed by Paul (1983). The organizations offering these programs included one public university, one life insurance company, and two high-technology product manufacturers.

A large public university set up a phased retirement program to promote faculty retirement so that young, nontenured professors would be better able to receive promotions. Employees (faculty or staff) who are 60 years old and have 20 or more years of service may apply for the program, either as a stepped reduction in work schedule (two-thirds time, then half-time, then one-third time) or as a reduced appointment (one-half or one-third time) that stays constant. Those using the option continue to be eligible for fringe benefits as part-time workers and can draw some pension (Paul, 1983).

Some firms make special efforts to help older workers adapt to changing business operations and new work processes. In R. H. Macy Company, the New York retail chain, transitional schedules have been used to prepare individuals for retirement.

Retiree Labor Pools

Part-time work through retiree labor pools was one of the first options to be offered by industry. In most cases, employees will be asked on retiring if they are interested in returning to work for the organization on a temporary, part-week, part-month, or part-year schedule. Generally, retirees are permitted to work no more than 1,000 hours during a given year to avoid having to provide fringe benefits.

Retirees who indicate an interest in being rehired are often put on a "temporary work" list maintained by the personnel department. When their skills are needed by the organization for special assignments or during peak work periods, they are called to work. In many cases, the retiree continues to receive a pension while being paid for part-time employment, but no employee benefits are provided other than those the worker has already been receiving in retirement.

Most companies that have some type of retiree labor pool prefer to rehire their own retirees, only rarely hiring those of other companies. Management considers the major benefit of such reemployment to be that a company retiree is a "known quantity" to the organization.

Twelve organizations have become nationally known for their rehiring of retirees. Examples of companies using these approaches include banks, aircraft/aerospace engineering firms, insurance companies, and municipal government agencies.

Continental Illinois National Bank and Trust Company in Chicago employs older workers on a part-time basis through its own temporary-help firm, Ready Work Force. About half of those in the Ready Work Force are over 65; job assignments and schedules vary, depending on the workload in different parts of the business and times of year.

The bank developed the pool of retirees to provide knowledgeable workers who would be quickly available to work on temporary, part-time work assignments (Paul, 1983). These employees are offered no fringe benefits but do continue to receive full pension benefits while they work. About 200 retirees are being used.

The major cost to the bank has been to provide liability insurance for the retired workers. The retiree pool provides a stable, in-house source of temporary labor that is less expensive than agency labor.

Job Redesign and Transfers

Job redesign and job transfers are the options least commonly available to older employees. Very few employers have been identified as offering these options specifically to assist the older worker (Paul, 1983). In general, the programs require the greatest expenditure of managers' time, money, and creativity. Root and Zarrugh (1983) note that job redesign has its greatest use in putting those who have been receiving long-term disability or Workers' Compensation back to work.

Job redesign and job transfers are generally used to change some or all of the tasks being performed on a given job for the worker who is having problems dealing with the physical or mental demands of the job. Among organizations that use redesign and job transfers are aerospace engineering firms, high-technology manufacturers, and mail delivery firms (Paul, 1983).

By monitoring claims, a high-technology manufacturer discovered that middle-aged and older employees receiving extended disability and Workers' Compensation tended not to return to work but to continue claiming full disability. A retired employee was hired as a job placement worker to encourage employees to return to work by redesigning their jobs to make them less physically or mentally stressful. This may be done by providing equipment to assist in physical aspects of the job or by eliminating certain duties. The recession has had some impact on the program in that more workers want help, while managers are less flexible in approving job alterations (Paul, 1983).

In another high-technology manufacturing firm, the union asked that older employees in physically taxing jobs be provided with job alternatives. This option was eventually written into the contract. To be eligible, an employee must be age 55 or over with 15 years of service, or 50 with 20 years of service, and must be able to perform the new job or be available to be trained to perform it. The worker gives up promotion prospects on transfer but is still paid at a rate that is midway between the rate for the old job and that for the new one. Labor costs are associated with the transfer, and there has been some resentment among the work crews that receive the transferred worker. However, the probability of time-lost accidents has decreased.

Summary

Part-time work tends to be the most common work arrangement offered to post-retirement workers. Either permanent part-time work or temporary work may be offered, often through an in-house retiree labor pool or through a subsidiary that acts as the employer of record.

Job sharing appears to be offered to older workers primarily as a way of reducing labor costs while maintaining staff, either because they are expected to be needed later or because there is some other reason not to lay them off.

Phased retirement, like job sharing, appears to have its greatest use in situations where some other objective is sought in addition to bridging the gap between full employment and full retirement.

Job redesign and job transfer appear to be viewed as expensive measures that have their greatest utility in informal use or in bringing persons on disability or Workers' Compensation back into the labor force.

JOB RETRAINING

An issue of concern to employers and unions (and ultimately to older workers) is maintaining work productivity and preventing skills obsolescence. In many businesses and public agencies, the nature of work is changing. The workplace is becoming more automated and production processes are changing more rapidly than they once did.

Older workers tend to have work experience rather than education or training. As a result, older workers may find that they are not being promoted as often, or are receiving smaller wage increases than they would if their productivity were higher or their skills more up to date. Retraining may help, but employers need to review more carefully the merits of retraining older workers, and older workers need to be more open to retraining opportunities. However, because older

EMPLOYER RETRAINING EFFORTS

Some employers find it in their interest to retrain older workers in new technologies to increase productivity (Andrisani and Daymont, 1983). However, it could also be in the self-interest of business to work with public education agencies and Private Industry Councils to develop specialized training programs for older workers to ensure that they can find jobs that will allow them to be self-supporting as long as possible.

workers usually are earning more than younger workers, and because presumably they have fewer anticipated years left in the work force, they often are not included in retraining programs because employers may feel that there is not time enough to recapture their investment.

Some firms are offering retraining to older workers. The expectation is that the workers will have not only experience but also the upgraded skills needed to meet performance objectives. Upgrading also increases the incentive for workers to remain in the work force.

Retraining to Upgrade Skills

Several companies have received national attention for the training or retraining they offer older workers. They include an aerospace firm, insurance companies, a job placement agency, and a high-technology manufacturer.

An aerospace firm decided to retrain analog-oriented engineers to digital technology, both to meet personnel needs and to remotivate older staff who appeared to be "coasting" toward retirement. The effort has broadened so that 28 different courses are now offered each semester, during the lunch break and in the early evenings. They are taught by in-house staff. Although not all departments can afford to offer these courses, about 22% of the work force participate. Management actively promotes the program since 40% of its work force will be eligible to retire within 10 years and reducing the number of early retirees is important (Andrisani and Daymont, 1983).

Retraining for New Jobs

Training provided by employers, whether on-the-job training for promotion or retraining, appears to be limited to existing staff. No instances were found of companies offering training to, say, displaced older workers who had not yet been hired. However, some union contracts mandate training for workers who will be displaced as a result of automation (the example usually cited is retraining linotype operators to use phototypesetters).

Two unions have been particularly active in seeking retraining opportunities for their members, especially those who are older, have long seniority, and have been hit hard by layoffs from the recent recession. In 1982, UAW and Ford Motor Company established a National Development and Training Center to provide guidance to local unions and management in developing plant-level employee development and retraining programs. Funding for the program was made possible by the 1982 Collective Bargaining Agreement that set aside 5 cents per hour worked for all employees.

The program has three components. First, a National Vocational Retraining Assistance Plan was established for laid-off employees with five or more years seniority. The plan provides prepaid tuition money to individuals who pursue self-chosen education or training that improves their chances for reemployment, either within or outside of the company. Second, several Targeted Vocational Retraining projects were launched. These projects provide full-time retraining, including aptitude testing, job search counseling, and especially specific occupational skill instruction for laid-off workers. Finally, a Career Counseling and Guidance program has been established to encourage employees to recognize, gauge, and develop their personal strengths to minimize the stresses of unemployment in case of layoff. The 1984 Ford and GM agreements go even further in providing resources for retraining all displaced workers, regardless of age.

The Communication Workers of America (CWA) also demonstrated significant concern for retraining. The leaders of this union recognized early on that new technologies would require more knowledge and specialized skills on the part of their members. Reflecting this belief, CWA negotiated a settlement with American Telephone and Telegraph (AT&T) in 1983 which guaranteed retraining opportunities to those workers whose jobs are affected by future technological innovation. AT&T contributes 3.5 cents per hour worked for the benefit of both laid-off and active workers. The program encourages career development and provides new skills to workers whose jobs are being phased out. This approach establishes a systematic way of dealing with technological change and its implications for workers in general and older workers in particular.

THE TEAMSTERS TRAIN JOBLESS OLDER WORKERS

The International Brotherhood of Teamsters, in an effort to strengthen links between unions and the public and private sectors, has been involved in a variety of job retraining programs. While most of these programs have been for unemployed members in general, two programs designed specifically for older workers have been administered by the Ohio Conference of Teamsters.

One program, operated for 3 years, was designed for unemployed members 55 years of age and older who had little opportunity to return to the work force in their previous occupations. These individuals were trained in home appliance repair, giving them a skill which they could employ in their homes doing repair work for older individuals at a reduced rate. After this program, many workers who previously experienced low self-esteem were able to once again be productive.

A second program was operated for 2 years, training older workers in the field of apartment management and maintenence. In this program the Teamsters were able to assist older, unemployed members in obtaining employment and suitable housing.

Most recently, the Teamsters have been successful in providing job training to older workers through the Teamsters Comprehensive Workers Vocational Response Program under the Job Training Partnership Act. This retrianing program for dislocated workers includes: assessment, vocational counseling, job shop, training and job placement. Statistics show that 46% of the participants are over the age of 45, indicating not only the need to serve older workers but also their willingness to participate.

In neither of these cases does the union promote retraining specifically for older workers. Nevertheless, the impact of these programs on older workers in these industries is substantial and will only become greater in the future. Because they are not restricted from participating in these programs, and because they may be more susceptible to skills obsolescence than more recently trained employees, older workers continue to be the natural beneficiaries of these types of approaches.

Summary

Retraining of older workers is an issue that is only now getting recognition by employers in the public and private sectors. Employers are finding that there is a payback in retraining older employees that they did not recognize in the past. Experience combined with willingness to learn often yields a valuable employee with a reasonable number of additional years of labor force participation.

MARKETING AND PLACEMENT

For employers, the usual counterpart of marketing and placement is recruitment of older workers. However, several businesses have found that the best way to recruit older workers for part-time work has been to create special temporary agencies as part of or subsidiary to the firm. A number of these have been developed and provide opportunities for recruiting older adults. In several cases, these mechanisms serve firms in addition to the parent company. In others, the brokerage mechanism is linked with other employment services in the community to help locate appropriate personnel.

These examples are mentioned here because they serve as more than a work option for individual firms. If used broadly, these subsidiary components of business can help broaden the employment service base for older persons, by using the traditional resources of business.

Recruiting Campaigns

During the last 5 years, a small number of employers have launched major job recruitment campaigns to hire persons past the age of 55. In the last year, five organizations have been identified as actively recruiting older persons through the media. Among organizations using this approach are banks, aircraft manufacturers, fast food chains, and publishing companies. Recruiting has been done principally through media blitzes used to draw public attention to their desire to employ the "mature person." Radio announcements and billboard advertisements are two examples of media used to attract older people to apply for full-time and part-time entry-level positions.

One fast food chain has been recruiting older persons for entry-level positions in nationally franchised stores, on a permanent part-time basis. The company believes that recruiting older workers has reduced turnover costs, stabilized an otherwise very young work force, and created a positive public image.

Participation in Job Fairs

Many firms have found not only that employing older workers makes good sense in terms of productivity and flexibility, but that there is also an important public relations or corporate social responsibility aspect to this type of policy. Some employers have identified older workers as an issue on which to focus on their own; others have been invited to participate in older worker events, such as job fairs, media events, and educational forums by other advocates of older workers. However they have entered into this activity, the results have benefited older adults.

Summary

Older worker recruitment activities have become acceptable to employers who recognize the value of older workers, who need them, and who also are willing to help the community increase its awareness and capacity to respond to older workers' needs. Businesses have sponsored their own campaigns to recruit older workers and have joined in sponsoring job fairs.

CONCLUSIONS AND IMPLICATIONS

Employers are beginning to explore the range of ways that they can, within their organizations, create more opportunities for continued, flexible employment for older workers. They are motivated to do so for a variety of reasons, such as maintaining a work force under conditions of changing demand, ensuring high productivity, reducing future pension costs, and responding to the needs of the older worker and those of the community. Unions, also, are exploring programs and incentives for retaining and retraining older workers. Implementing these adaptive policies is not easy, for there are administrative and technical difficulties in accommodating older workers' needs. A number of innovative approaches have been carried out, but very few employers have used the entire range of employment options for older workers.

- Employer measures to retain older workers are becoming important to more and more firms, but are still rare. Relatively few firms use all (or even any) of the measures discussed here.
- Flexible benefit and compensation packages that enable and encourage older workers to continue to work, or to take only partial retirement, are rare. There are no federal requirements that make it necessary for firms to exceed basic pension contributions; consequently, most arrangements seem based on reducing penalties for continued work.
- Collective bargaining agreements that stress seniority can result in retention of older workers during periods of transition.
- Few firms try to retain older workers by offering a menu of flexible work arrangements. Temporary labor pools are most common, since they relate to business labor needs. Many that do provide options limit them to white-collar workers. Sometimes, when options are available, little effort is made to communicate their availability to older workers.
- Retraining of older workers is infrequent, although recent labor agreements have established retraining provisions that affect displaced workers of all ages. There is still a clear problem with employer perception of the value of older workers. Health and learning research shows that older workers can

Conclusions drawn from the National Older Worker Information System:

- There are relatively few employment programs and practices for older workers, and often they affect only a portion of a company's work force.
- The approaches, though varied, address only particular segments of the national work force and certain situations of older workers.
- The existence of many programs appears to be tenuous, with some suspending operations in the face of adverse economic conditions. (Root and Zarrugh, 1983)

upgrade skills. Changing values and financial incentives are motivating older workers to stay on the job longer. These factors suggest that retraining their older workers could have a better pay-off than employers realize.

- Few efforts to recruit older workers for jobs occur, unless for temporary or part-time work, or for particular skills in short supply and no longer taught (such as linotype operator). The public relations value of recruiting older workers is growing, but is not in itself sufficient motivation for most employers.

Overall, adoption of new work policies for older workers is limited, but is growing as employers learn about older workers, as labor needs change, and as economic conditions improve.

VI STATE AND LOCAL POLICY ACTIONS

GOVERNMENT INTERESTS

State and local governments are interested in the older worker for a variety of reasons. First, as policymakers, they are concerned with the economic and social well-being of older persons while at the same time, they must manage public expenditures in a time of continued fiscal constraint. Second, state and local governments are major employers. As employers who are also policymakers, government bodies are sometimes able to use their own internal resources to address public needs, while also meeting organizational requirements. Although they are not always known for using their powers in new ways, governments—including administrative and service components—have the capacity to respond to new perceptions of older workers' needs and can establish patterns for others to adopt.

Because of the breadth of responsibility that is characteristic of government, there are a number of sources of motivation for change. At the state level, the drive to respond to older worker issues may stem from legislative concern—for both the rights and the needs of older workers. In addition, executive agendas for change can stimulate actions in legislatures and within operating departments. Individual departments themselves can offer special arrangements, as well as be advocates to the legislative or executive level for reforms. All levels may receive requests for actions on benefits and compensation, needs for alternative work arrangements, and specialized education, training, and placement for older workers. These might come from constituencies, such as older adults, from unions, or from employers.

Similar potential exists at the local level, but not as extensively. Local government executives, representatives, and agencies can examine how public pensions affect older workers, how workplace organization and management affect employment options, and how local public resources can be combined with other state, private sector, or community skills and resources to introduce desired employment opportunities. State and local governments control their own employment policies and the practices of their public institutions, such as schools and hospitals. They also have discretion over policies that affect the private sector—such as regulation, deregulation, taxation, and administrative practices (such as what companies they buy from). All of these represent important forces that can be brought to bear on older worker employment issues.

BENEFITS AND COMPENSATION

States and local governments typically have their own systems of benefits and compensation. In some instances, state pension systems are also used by special-purpose agencies, such as public utilities, and are available to school systems. In general, however, there are both state and federal laws that govern the design of these benefit programs, and consequently define the limits of change at levels below legislative reform.

State governments, in particular, are able to legislate pension policy changes that affect not only their own employees but also those of local governments and, in some instances, those of private sector employers. It is in this area that some useful new reform actions have taken place. States have legislated changes in pension policies that enable state governments, and often local governments, to offer their employees continued work after retirement, with continued eligibility for part or full pension benefits. Such policies, from the state level, may enable public employees from one agency to move to another agency without completely losing pension income. In most instances, the use of flexible pension policies is limited and still developing. Other benefits, such as health insurance, have not received much attention and are not usually perceived as constraining employment, despite new federal legislation requiring employers to cover older workers' costs.

Benefits Retention

In Ohio, public employees and teachers can find temporary part-time work and retain their pension benefits. Retired Ohio policemen, firemen, and highway patrolmen may not be reemployed in enforcement positions, although they can take other jobs under a different retirement system (Gollub, 1983).

STATE POLICIES AFFECTING BENEFITS

- California law permits retired persons to be hired by school districts or the California state universities and colleges for 720 hours in any calendar year without affecting retirement benefits.
- Maryland law requires that part-time work be offered in state agencies (up to 5% of all employees are able to participate) and that benefits be offered at a 50% rate up to half time and pro rata after that. (Gollub, 1983)

In Connecticut and California, reemployment of retired public workers who concurrently receive retirement income is permitted if they work less than 90 days a year. In Connecticut, the retired employee who works more than 90 days must reimburse the state for the full amount of retirement benefits received (Gollub, 1983).

Pension Problems

State and local government employee unions are particularly concerned about having their former members work in the same system and in many instances prefer to see retirement rather than continued employment under work options because of costs to retirement systems. To some degree, the issue of pension benefits and continued employment is not well understood by unions (or by employees).

In Washington, the state has been behind on contributions to the pension system. In California, the pension system is known to be far more generous than that of other states. In Indiana, the constitutionally mandated balanced budget has crowded out older worker issues; the prospect of a large state deficit reduced the incentive of policymakers to introduce reforms enabling flexible employment (Gollub, 1983).

Summary

The environment for revising pension system practices is improving. Many governmental bodies, particularly states, through their legislatures and in conjunction with the executive branch and related agencies, have introduced limited reforms that permit part-time work with minimal pension reductions. Overall, there have been many economic problems (such as unfunded liabilities in pensions, unemployment) that have discouraged thinking about pension options or have encouraged more constraining reforms. However, the climate may be improving for sharing ideas and for innovating within states and local governments.

WORK ARRANGEMENTS

State and local governments have been motivated to explore alternative work arrangements in recent years because of the increase in the number of working parents in their labor force. In addition, some attention has been brought to this issue by local organizations concerned about broadening the availability of work options to older adults in the community.

State and local actions to enable alternative work arrangements within government and in the private sector encompass a range of regulatory and administrative practices and policies.

Before the passage of the federal Age Discrimination in Employment Act (ADEA), many states had human rights, antidiscrimination, and fair employment practices laws that covered persons up to 65 years old. Subsequently, many states legislatively or administratively amended their existing laws to specify the age of 70 as the upper limit of coverage. Some states have extended protection for the rights of older workers to employment categories not protected by ADEA. Others have introduced laws that reaffirmed protection of workers in the public sector. A few have passed laws enabling flexible employment, including part-time work, or protecting benefits under part-time employment.

State Policy on Age Discrimination

Although the laws protecting older workers are rapidly changing, there are at least minimum protections (in addition to federal law) in almost every state. Several states have eliminated mandatory retirement, including California, Florida, Iowa, Maine, New Hampshire, and Tennessee. A number of states, on the other hand, have not yet revised their age discrimination laws to attain the ADEA levels for either the public or private sector. Missouri, Pennsylvania, Texas, West Virginia, and Wyoming retain prior age limits for public employees. Massachusetts, New York, Pennsylvania, Washington, West Virginia, and Wisconsin retain prior age limits for private sector employees. Also, 26 states allow mandatory retirement of executives in the private sector, and 17 have mandatory retirement for executives in the public sector. California, Missouri, Pennsylvania, and Texas allow their local governments to set their own retirement policies by law.

HOW THE STATES ADDRESS
MANDATORY RETIREMENT

	Number of States
Abolished mandatory retirement altogether	8
Set public sector mandatory retirement age at	
70 years	29
65 years	4
62 years	1
No age given	13
No statute	3
Set private sector mandatory retirement age at	
70 years	11
65 years	6
62 years	1
No age given	17
No statute	15

(New York State Commission on Interstate Cooperation, 1981)

To some extent, legislative awareness of older worker issues in these states—which resulted in the initial laws eliminating mandatory retirement in the public and private sectors—was stimulated by strong activism in communities with older constituents (Gollub, 1983).

Ohio has optional retirement at age 70 for both public and private sector employees. Small firms are exempt, as well as the uniformed services, such as firemen and police, who must retire at age 55. Having exemptions for categories of workers such as these is not unusual.

In several states, including California and Connecticut, laws enable workers to continue in the public sector beyond age 70 if they petition the commissioner of administrative services or their department director.

State Work Arrangement Policy

Legislation on flexible scheduling and permanent part-time work, developed for workers in general, also addresses the needs of older workers. California, Colorado, Iowa, New Jersey, Wisconsin, Massachusetts, and Maryland are among those that have instituted flexible work arrangements.

In 1982 the Florida legislature required the state's Department of Administration to establish a plan for shared employment in the Florida Career Service System. Florida agencies may designate up to 10% of positions for shared employment. Although job sharing has been possible for several years under administrative policies, these laws provide formal recognition of an emerging trend in shared work for older workers.

State Policy Development

The development of employment policy for older workers tends to be influenced by the economic setting. For example, Massachusetts has experienced a decline in its employment base. The Massachusetts legislature authorized its Committee on Commerce and Labor to study a variety of issues in the field of older worker employment, in part to address poverty among those not eligible for federal benefit programs. The committee looked at elimination of mandatory retirement, increasing the pool of jobs available, redefining the types of jobs

NEW YORK STATE POLICY ON PART-TIME WORK

New York State issued executive orders in 1978 that all state agencies be encouraged to offer opportunities for part-time work and job sharing. The State Civil Service Commission permits these arrangements now, and a recent survey indicates that 84% of 188 state agencies were employing individuals on a part-time basis, with 4% of the entire work force being employed part time, and job sharing being used by 18% of the work force (Gollub, 1983).

STATE OLDER WORKER STRATEGIES

- In Florida, a state with a rapidly expanding population of older people, the Governor has established a Task Force on Employment and Voluntarism to develop a comprehensive action plan for helping older persons in gaining employment in the public and private sectors. The Task Force members include the State Director of the American Association of Retired Persons, and state agency representatives of the Florida Chamber of Commerce.
- A 1981 report to the New York legislature, "Expanding Work Options: Flexibility in the Work Place," argued in favor of flexible work arrangements and suggested supportive public policy actions. However, as part of an agreement developed in contract negotiations between the state and the public employee union, a major policy development study will now be carried out under the direction of the State Office for the Aging. This study, funded by a $1.1 million dollar grant to the state by the union, will be titled "Retirement Employment and the Older Worker: A Policy Development Process for New

available, and redefining age as a basis for unlawful discrimination. Officials feel the study can establish the basis for future policy development in the state. As in New York, California, and Washington, Massachusetts policymakers require not only evidence of public interest in setting new policy for older workers, but also substantiation of appropriateness and necessity (Gollub, 1983).

Local Policy on Work Arrangements

Human rights laws protecting persons from discrimination predominate. A number of progressive cities and counties have ordinances that specifically address age discrimination in employment or elimination of the retirement age, but most defer to the states.

Increasing local awareness of the needs of older adults and strong advocacy by older adult organizations have helped change laws in some communities, such as Los Angeles. In 1975, the Los Angeles Area Agency on Aging (AAA) led an effort to abolish mandatory retirement in the city civil service system. In this case, research by AAA staff indicated that the change in local law would benefit older worker employment. The AAA Advisory Council made the elimination of the mandatory retirement policy a high priority for its legislative program, and the city council introduced a motion that adopted this change. During council consideration, a task force composed of actuarial and pension experts, industrial relations and civil service specialists, and advocacy groups for both older adults and youth was established to support the change in policy. When the city council decided to put the issue to a public vote, the coalition of concerned parties actively advocated for its passage among voters. The outcome was passage of Charter Amendment I in 1977 (by a 58% margin), abolishing mandatory retirement in the city civil service (Gollub, 1983).

Other communities with a leadership aware of the needs of older constituents have had older worker legislation initiated by mayors or county supervisors. This was the case in Seattle, Boston, Chicago, Cleveland, Kansas City, New York, and Dade County. The impact of these laws on access to jobs for older workers is not known. Very few cases of employment discrimination were brought to the attention of local human resource, civil rights, or fair practices offices until recently, although the numbers are growing (Gollub, 1983).

York State Government." The study will examine the entire range of economic and employment issues for older workers in New York, including innovative practices, labor trends, state policies, management perceptions, pension system problems, and changes.

Elimination of mandatory retirement has increased retention of older workers past age 65, but has not slowed the rate of early retirement. In the private sector, local laws outlawing age discrimination in employment have had less impact than broader state legislation and the changing attitudes of employers (Paul, 1983).

Local governments have been active in adopting flexible work schedules to accommodate the changing needs of families, although older workers can benefit also. Most flexible work and permanent part-time arrangements are being implemented through administrative reforms rather than by law. The mayor of Seattle, for example, introduced the use of permanent part-time work through an executive order (Gollub, 1983).

Local administrative reforms are frequently less complex policy decisions than those at the state level. At the same time, the lack of an agenda for reform means that most actions have developed on an ad hoc or reactive basis. Simple reforms have been observed, such as locating job counselors in more accessible locations, as well as efforts to rethink employment application forms and job classifications.

Baltimore, Boston, Chicago, Cleveland, Dade County, Los Angeles, Philadelphia, and Seattle are among the jurisdictions that have reported such changes. In most cases, these were minor modifications of job application and classification practices that were intended to give better job access to the disabled and minorities (Gollub, 1983).

Summary

States have found that their existing human rights and antidiscrimination policies often did not match new federal laws under the Age Discrimination in Employment Act. Seven states have now gone beyond the federal laws, eliminating mandatory retirement entirely. This change has had a notable effect on businesses in those states, and even on the out-of-state plants of national corporations headquartered there. Most states are bringing their laws into conformity with federal law, but there is increasing pressure from advocates for more progressive changes.

An important area of legislation is the legitimizing of part-time work. Several states have mandated that all state agencies offer part-time work, and some states have even required that all employers offer prorated benefits for part-time work.

Local government action on older worker employment arrangements has been more confined to opening up flexible schedules and part-time work to all local government workers. In addition, however, efforts to rethink the classification of jobs, testing, and work design are beginning to receive attention. Some of the motivation to address these concerns comes from the handicapped.

EDUCATION AND RETRAINING

More than 10% of Americans over the age of 45, or more than 7 million people, are eligible for public employment and training programs, using the criteria of low income and unemployment or underemployment (1980). However, only about 1% of all those who were eligible used CETA II-B. Even for the Senior Community Services Employment Program, participation is well below 1% of those eligible. (Limited participation is partly a result of funding constraints.) The Job Training Partnership Act may develop more effective ways of reaching older persons, through direct business employment and training programs as well as through the 3% set-aside.

State governments, however, have a number of resources under their control that can be applied in the training and retraining of older workers. These include state universities and colleges and state control of (or influence over) community colleges, vocational schools, and high school districts. Cities, school districts, community college districts, and the like also have the ability to increase access to needed education and retraining programs. It is primarily in adult education programs that attention has been paid to designing courses to suit the ways older people learn.

Many states have already modified tuition and entrance requirements for older adults, although primarily with the aim of life enrichment rather than improved employment prospects. Some states are experimenting with specialized education and training programs that will be models for future JTPA initiatives. Examples of emerging state and local approaches are described below.

PUBLIC INITIATIVES TO TRAIN OLDER WORKERS

- Arizona used the Governor's discretionary CETA funds for a grant to the University of Arizona's Divison of Continuing Education in Tucson to train unemployed workers over 45 to maintain medical records.
- The State of Washington used the Governor's discretionary CETA funds for a demonstration in which a private sector high-technology firm trained 40 adults over age 50 and either hired them or placed them in other local positions. It is hoped that this experiment can be a model of how the new JTPA funds can be used for older workers.
- Hartford (Connecticut) uses Title V CETA funds to do counseling and training in home care. Its 13-week program has placed a number of older participants in jobs in local hospitals, nursing homes,and home health programs. Younger persons are also able to participate in this program.
- An Area Agency on Aging in San Bernardino, California, provides training to older adults to become childcare workers for children under 3 years old for whom providers are in short supply.

(Gollub, 1983)

State Education

States often reduce or waive tuition at state institutions for older adults. In 16 states the minimum age is 60, in 7 states it is 62, and in 11 states it is 65. In addition, 12 states limit the reduced or waived tuition to noncredit courses, and 28 states limit participation to a space available basis. One specifies summer and evening courses only. A number of states require that older adults register at reduced tuition only after all tuition-paying students have registered. Only five states include vocational education in the kinds of tuition-free education provided for older adults, and three states limit tuition waivers or reductions to land-grant universities only. In addition, three states require a means test. Finally, some states specifically exclude courses taken to gain a new job or to progress in employment from reduced or waived tuition (Gollub, 1983).

State Training

State governments are also the designated administrators of the new JTPA program for economically disadvantaged adults over 55 (3% of JTPA funds are to be used for this purpose). Funds are to be used for the training and placement of older individuals in private business concerns. Consideration is to be given to training for jobs in growth industries and jobs reflecting the use of new technological skills.

The JTPA administrator in Massachusetts has taken the initiative to organize an older worker task force of public and private sector representatives. This task force will examine the full range of state policies affecting older workers and then advise the state on how best to expend the JTPA funds.

The state of Washington uses a percentage of the fees from marriage licenses to finance displaced homemaker assistance centers. Although limited at present, this source of funds relates to employment in much the same way that gasoline taxes do to highway improvement. Several states have proposed using coal or timber extraction taxes to finance retraining for displaced workers; such proposals have yet to be adopted.

Summary

State and local governments face the challenge of developing ways to increase older workers' access to education and retraining. Most state efforts have been experimental, although a number of education system reforms have been introduced to give access to older adults seeking continuing education. As they plan their JTPA programs, states will have to begin to explore how they can work with business to create training for older adults.

MARKETING AND PLACEMENT

States and local governments can play an important role in using their policy tools and relations with local business to stimulate employment of older persons. Some states and local governments have started to examine how they could use diverse sources of assistance in new ways. Marriage fees to support employment services for displaced homemakers is an example of a potential but rarely used source. Some federal tax incentives have been used in a limited way, such as the Targeted Jobs Tax Credit for employers. To some degree, local governments are offering employers—particularly new ones—economic assistance in exchange for hiring or training disadvantaged or displaced workers. This creates a "win-win" situation for all concerned.

State and local initiatives in marketing and placement of older workers range from marketing devices such as tax incentives to hire disadvantaged or displaced workers to the introduction and support of job clubs that offer training in job search for displaced older workers.

Incentives to Hire Older Workers

A tax incentive not used in the majority of states and local governments reviewed is the Targeted Jobs Tax Credit (TJTC). A Cleveland placement agency for older workers, Skills Available, reported using TJTC whenever firms were willing to take advantage of it (Gollub, 1983). However, the agency has found it cumbersome to administer it in the past. Four other jurisdictions have also used the TJTC to encourage employment of older disadvantaged workers. In most cases, it was not seen as an important incentive since managers base hiring

INCENTIVES TO HIRE OLDER WORKERS

An Andrus Gerontology Center study in 1982 found that, in Southern California, employers with fewer than 100 employees tended to think that incentives would be more useful for large employers who would have the staff needed to process the paperwork. Large employers felt that smaller companies would benefit more since an incentive, such as a tax credit, could "really make a difference in the bottom line."

At the same time, the study notes that, of Fortune 500 employers sampled in another survey,

- 17% would hire more older workers if a hiring subsidy were provided;
- 19% would hire more older workers if a Targeted Jobs Tax Credit were provided;
- 12% would hire more if a training subsidy were provided;
- 9% would hire more if a placement agency were available; and
- 17% would hire more if there were a Federal Insurance Company of America (FICA) waiver or a health insurance tax credit.

(Coberly et al., 1982)

decisions on other criteria (Paul, 1983). Tax and subsidy incentives to encourage employment of older workers are likely to be a policy tool of limited potential.

Other incentives to hire older workers may be more feasible. For example, many cities and counties are now negotiating agreements with businesses that link the provision of public assistance, such as mortgage revenue bonds, land write-downs, tax abatement, and publicly financed land improvements, to agreement by the business to hire disadvantaged workers. This has been done in Portland (Oregon), San Francisco, Jamestown (New York), San Antonio, Buffalo, and Boston. However, these agreements have not focused specifically on older workers (Gollub, 1983).

Marketing and Information

In many cities, the Mayor's Office has helped to organize corporate support for job fairs for older or displaced workers. Having someone from the Mayor's Office solicit corporate participation in a job fair is a way of using the power and prestige of the office in place of (or to supplement) city funds.

Florida's Bureau of Employment Services, in the Department of Labor and Employment Security, is establishing a statewide information bank, which will list available older workers with their skills. Each local Aging and Adult Services Office in the state will receive a computer printout listing all persons aged 55 and older who are registered.

Placement and Brokerage

Pennsylvania's Project POWER (Promoting Older Worker Equal Rights) uses the Governor's discretionary grant to hire employment specialists who work in area agencies to act as job brokers, set up job and skill banks and intake procedures, and match older workers with the local labor market (Gollub, 1983).

Ohio's Commission on Aging is developing job banks throughout the state, run by Title V enrollees with administrative experience. Community outreach is done by program enrollees through public service announcements.

Summary

State and local governments have some policy tools that can be used in marketing and placing older workers, but their chief resource here lies in supporting new roles by employers and facilitating development of programs by community groups.

CONCLUSIONS AND IMPLICATIONS

The recent experience of various states and local governments in trying to assist older workers has resulted in some innovations and some successes that might be tried elsewhere. Some approaches, however, do not seem to have much effect on meeting older adults' needs.

- A policy that has had broad impact is the elimination of mandatory retirement by states and by local governments (state policies also affect private employers).
- Pension reforms to permit continued part-time employment in conjunction with state laws mandating development of flexible work options have helped create job opportunities for older workers.
- Some potentially valuable but rarely used approaches might involve linking older workers, particularly displaced workers, to efforts on the part of local government to trade economic assistance (loans, land use variances) for employment and training of those in need.
- When resources are scarce, new efforts to train and place older workers using unusual sources of revenue, such as marriage fees, seem worthwhile.
- Efforts to help older workers by reforming the education system and encouraging older worker employment through use of federal tax credits have had only limited success to date.

Perhaps in the future many of these options might be part of a package of actions to assist older workers.

VI State and Local Policy Actions

One role for state and local governments that has not yet been discussed is that of a preserver of equity. That is, most of the employer measures aimed at keeping older workers on the job are aimed at the highly valued employee. Very few are aimed at semiskilled or unskilled blue-collar workers. Incentives to hire older workers in general appealed to fewer than one in five of the Fortune 500 sample surveyed by Andrus Gerontology Center; it is likely that incentives to hire disadvantaged older workers would appeal to even fewer. Policies that would preserve equity for all older workers would appear to be increasingly needed. Opportunities to develop such policies will be present in the development of the Job Training Partnership Act programs. State Job Training Councils and Private Industry Councils both will be forums for this type of activity, as will new community marketing and placement organizations that governments and business help to start. These programs all can work by improving the qualifications of disadvantaged workers and by helping them to reenter the labor market.

VII COMMUNITY-BASED EFFORTS

COMMUNITY INTERESTS

The material in this section addresses only one worker issue directly, and that is the marketing and placement of older workers. The other issues—benefits and compensation, work arrangements, and education and retraining—are addressed indirectly. Rather than controlling these factors, as a state controls who must pay tuition in a state college or a company controls the age at which a worker may retire with full pension, community groups seek to influence the decisions of those who have control.

Employment for older workers has become a key theme in community organizations that represent or are concerned about older people. These include both public and nonprofit area agencies on aging, older adult advocacy groups, community foundations, service organizations, and business associations. Each of these groups has different reasons for becoming involved in older worker concerns, and has different resources that can be brought to bear on specific older worker issues. As they define shared interests, these community organizations are finding that it makes sense to work collaboratively in developing actions to assist older workers. Cooperative efforts can have mutually beneficial objectives, such as reducing welfare dependency, increasing independent-living potential, reducing discrimination, and meeting business productivity and social responsibility priorities.

Aging advocacy organizations and area agencies on aging represent one, often closely linked, constituency for stimulating initiatives to assist older workers. Area agencies on aging, whether public or nonprofit, have the capacity to use direct connections with government agencies and elected officials to initiate problem-solving efforts. They have often started activities focusing on community and employer education, job fairs and skills banks, and formation of new intermediary organizations to market and place older workers, inviting business groups to participate or jointly sponsor initiatives (Gollub, 1983).

THE IMPORTANCE OF THE COMMUNITY SECTOR IN INCREASING OPPORTUNITIES FOR OLDER WORKERS

According to Operation ABLE, there have been few attempts to help older workers specifically, and most such attempts have been hindered by minimal funding, lack of professional skills needed to assist the mature worker, and inability to develop a necessary strong partnership with the business community.

It is in the community sector where linkages between business and public sector training programs can be built most easily, as indicated by the efforts of the Business Leadership Task Force in the San Francisco Bay Area, the National Alliance of Business, Chicago United, and other groups.

It is also in the community sector where linkages between older workers and business can be most effectively developed, as indicated by Operation ABLE, Second Careers, and the like. Government can foster or contribute to these efforts, but not replace them because of government's need to maintain a more formal relationship with business.

Nonprofit service organizations, such as the United Way and community foundations, often respond to efforts by other community groups to organize new older worker initiatives. A United Way, for example, may serve as a neutral forum for collaborative discussions, while a foundation may be brought into the process to help support planning or organizational development efforts, which can lead to new older worker placement organizations (Gollub, 1983).

Business associations, such as Chambers of Commerce, trade associations, and Private Industry Councils, become involved in older worker initiatives as a result of the expressed interest of the members of their boards—who may be involved with older worker issues in their own organization—and requests from local government or aging advocacy groups. Private Industry Councils in the future will be likely to express greater interest in the older worker because there will be some funding for local initiatives from the JTPA.

COMMUNITY AND EMPLOYER EDUCATION

Older workers are often not recognized by the community or employers (except human relations and benefits personnel) as a diverse group with special needs. As advocates begin to focus attention on older workers, they frequently find that there is little reliable information about the qualities and needs of this group.

When interested parties—including advocates, employment personnel, and community agencies—begin to discuss older worker issues, they usually start by acknowledging that there are older workers who want to continue employment and retired persons who would like to go back to work. Once that fact is established, those involved need to develop an agenda of concerns that employers and the community at large might benefit by understanding. Among those concerns are the potential productive value of older workers and the constraints on maintaining that productivity.

There is also a need to look at arrangements that might accommodate older worker needs—such as part-time employment for post-retirement workers—and the ways that this information can be brought to the attention of employers. Finally, it is important to examine ways that older workers can be given access to education, retraining, and placement.

A COMMUNITY-BASED OLDER WORKER INITIATIVE IN HILLSBOROUGH COUNTY

In Hillsborough County, Florida (which includes Tampa), an overburdened, government-sponsored senior employment program and extensive immigration of older persons to the area prompted the county government to explore alternatives. The County Department of Aging conducted analyses to determine the extent and nature of the older worker problem in the county. It found that business and industry attitudes about the productivity of older workers were a major obstacle to developing new employment opportunities. Thus, the county recognized the need to collaborate with the private sector in developing a strategy for resolving the problem.

The county developed a two-part program. One element, supported by the county, assists older persons through classes in career assessment and training. The second part, operated by the Chamber of Commerce, consists of job fairs and seminars for employers in the county. Involving the local chamber in this effort provided the county with the needed link to private sector employers.

Until 10 years ago, the issue of older workers was rarely mentioned. Then, foundations began to look at the issue of age discrimination, and older adult organizations (and special older worker groups) began to form. Since that time, a number of national and local efforts to educate employers and enable older adults to find employment have been started, many of them creating ongoing community events and mechanisms that are still in place.

Gathering Information About Older Workers

Over 6 years ago, the Edna McConnell Park Foundation spent $10 million to address a number of issues pertaining to older adult employment and education. As part of an extensive grant program, the foundation supported many efforts that have resulted in new public-private initiatives and technical support for advocacy and education initiatives on the older worker issue. Of the activities supported, three have been successful models of employment development for older workers: the Committees on Careers for Older Americans, Operation ABLE, and Second Careers (Gollub, 1983).

The Careers for Older Americans Committees are education and advocacy groups. They were established in Cleveland, New York, Los Angeles, San Francisco and the San Francisco Peninsula, and Seattle. In each site, the formation of groups concerned with older worker issues is just now beginning to result in new public-private initiatives. In California, the Los Angeles Committee carried out a statewide survey of employers. In San Francisco, the Western Gerontological Society, participating in Committee activities, convened a meeting of corporate personnel managers to determine their views on what would increase older worker employment. In Seattle, local employment option issues were studied. These committees are now developing private support for new brokering and placement mechanisms that will provide needed services.

New York City's Department of Elderly Affairs has worked with the local Chamber of Commerce to analyze older worker employment issues. Their analyses of New York business practices and attitudes in 1979 and 1981 suggested that small firms, because their structure was less rigid, employed the most older workers. Using this and other study information, the Department of Elderly Affairs proceeded to conduct major job fairs to which older adults and employers (small as well as large) were invited. These fairs were partly funded by joint government and business contributions.

Disseminating Information About Older Workers

Companies in Ohio are working with the Commission on Aging to learn about how they can develop their own flexible employment practices. Rockwell International, Stouffer Foods, and Bankers Life are among those consulting with the state (Gollub, 1983).

In Philadelphia, the area agency on aging has developed a series of public-private events, including job fairs and media promotion of older workers. The job fairs were started in 1979 with 75 firms cooperating. The most recent job fair encompassed 4 counties, included 80 firms, was attended by 2,500 people, and resulted in 300 placements of older workers. The Mayor's Office also publishes a letter to industry profiling workers on a waiting list. Out of 3,000 names on the waiting list, the first newsletter resulted in 20 immediate placements. As part of its community service responsibility, the local NBC affiliate cosponsors a weekly television program called "Senior Job Line," which actively markets older workers (Gollub, 1983).

Summary

Through an effort that has taken over 10 years, a number of foundations, older adult groups, and community organizations (including area agencies on aging) have developed education initiatives that have contributed to local awareness of older worker issues. A combination of dissemination of national poll findings about older worker interest in employment, formation of local older worker committees, marketing campaigns, and local-government-sponsored education and placement events have set the stage for improving older worker job opportunities.

ADVOCACY

In addition to educational and consciousness-raising activities, some organizations have begun actively advocating for policy actions and new initiatives on behalf of older workers.

Including Older Workers in Existing Programs

Illinois' State Employment and Training Council has been promoting the idea that older worker subcommittees be established in the Private Industry Councils (Gollub, 1983).

New York has an active Senior Advisory Council of private sector representatives who are involved with the area agency on aging. Their advocacy efforts have helped to develop a job bank for older workers. Working with the Private Industry Council, they will sponsor a small-scale training program to help teach older workers to work at home using word processors (Gollub, 1983).

Legislation on Older Workers

Local chapters of groups such as the Gray Panthers are sometimes active on employment issues. So, too, are the so-called "Silver Haired Legislatures." This volunteer group, operating in California and other states, reviews legislative proposals, develops model legislation, and generally works for the interests of older people in state legislatures (Gollub, 1983).

Summary

Advocacy has played a key role in creating a climate of willingness to explore older worker employment options. Activities have ranged from the early efforts of state employment and training councils, the legislative initiatives of "Silver Haired Legislatures," and new employment agency coalitions to newly formed advisory councils in state job training councils and Private Industry Councils. It will be in these new forums that progress toward improving employer understanding of older workers will be made. Out of them will emerge new older worker initiatives in education, retraining, and placement.

MARKETING AND PLACEMENT

Marketing and placement of older workers appear to be the community strategies that have the best chance to succeed in increasing both the willingness of employers to hire older workers and the willingness of older workers to invest in continued work. In part, this fact reflects the nature of American society, where visibility (being in the public eye) and response (a change in public attitude) are often a product of marketing that emphasizes mutually beneficial objectives. In part, it reflects the recognition that past practices toward older workers have often been based on stereotypes and mistaken beliefs.

Placement of older workers is also important because the skills and capacities of older workers are more clearly defined than those of youth. In addition to placement activities, however, older workers may benefit from instruction in job search techniques that will help them find their own jobs, or from counseling that helps them find existing training opportunities.

Many community-based organizations are well suited to help market older workers and assist them in securing employment that meets their needs. Whether it is an area agency on aging working with a Chamber of Commerce to do a local labor market analysis that shows work opportunities, a local agency with a one-to-one rapport with employers, or a special employment and placement organization, the prospects for success seem to exist.

Development of Jobs and Placement Mechanisms

Operation ABLE is a nonprofit organization started in Chicago with a planning grant from a community planning foundation, supported in part by the Edna McConnell Clark Foundation, whose aim is to improve the ability of older workers to find employment. It offers services to employers and older workers, and it coordinates a network of employment agencies for seniors in the metropolitan Chicago area. ABLE is also represented on the board of the Private Industry Council in Cook County and is involved with a local task force to develop older worker options. ABLE has been involved in policy development at the state and community levels and has articulated basic legislative positions, which it supports through participation in policy debates (Gollub, 1983).

SELECTED ACHIEVEMENTS OF OPERATION ABLE IN 1980:

- Placed 5,200 older workers (over 55) in jobs through ABLE Network.
- Handled 1,700 job applicant calls and nearly 1,000 employer job listings through ABLE Hotline.
- Held Older Worker Job Fair with a local television station and Chicago Public Library that registered 554 older workers.
- Conducted a pilot job development campaign with four Network agencies that contacted 495 employers in 6 weeks and produced 73 new job orders.
- Started a job club for hard-to-place older workers.
- Conducted 40 workshops for Network agencies.

(Operation ABLE, 1981)

For businesses, ABLE provides a central job clearinghouse to which employers may bring job openings and have them filled. ABLE also provides consultation and technical assistance services to firms. Specific activities include job evaluation for older workers, orientation of company employees to working with older workers, restructuring full-time openings into part-time (shared) jobs, and access to nonprofit placement services. ABLE refers older workers to local agencies that will provide them with job counseling and placement, and sometimes offers training for new employment opportunities (Gollub, 1983).

Cleveland's "Skills Available" program began as a CETA enterprise that has for many years worked very successfully in placing older workers. Skills Available has a widespread outreach program and intensive market search approach to job development. It has 10 community-based offices located along major bus lines into community centers, city halls, and other accessible sites. The program emphasizes peer counseling, job development, job fairs, and efforts at training older workers in skills in high demand. Skills Available also ran an "Older Worker Pilot Project," in which employers were counseled on how to use flexible employment options for older workers. This program has a strong base of contacts with employers, coordinated with other CETA and Title V programs, and provides policy advice to the governor's staff on older worker issues (Gollub, 1983).

In Missouri, the Mideast Area Agency on Aging is currently working closely with a private association, the "Older Workers Information Council," which raises public awareness about using older workers. Members of the council include the Chamber of Commerce, the State of Missouri, the Missouri Green Thumb (Title V program), and other older adult organizations (Gollub, 1983).

Placement Activities

The Mideast Area Agency on Aging in Missouri also uses its good relations with business to carry out direct placement with a number of large local firms. Firms such as McDonnell Douglas, Monsanto, and the May Company have been working closely with the AAA to develop programs to channel older workers into employment. A large supermarket chain has approached the AAA about hiring a number of older workers for permanent part-time positions. Through interaction with the AAA, firms have developed a reasonable understanding of the need for older worker options (Gollub, 1983).

"Retirement Jobs, Inc." was first developed in Northern California as part of a Social Security Title XX agency, but is now partially supported by local funds and by donations. Over time, 10 offices were developed in different communities in the San Francisco Bay Area. The format of operation is straightforward. People looking for short-term, part-time work can come in and be referred to those who need staff—whether it is a small business, or someone in need of a companion or a carpenter. The organization has placed large numbers of older adults in temporary and part-time jobs, but has cut back its activities because of local funds shortages. It may become partially self-sufficient through charging fees to either users or employers. Because it has several locations in the Silicon Valley high-technology area, it hopes to begin to place older skilled workers in higher paying jobs (Gollub, 1983).

California also has another employment group developed under a grant from the Edna McConnell Clark Foundation. "Second Careers" is an employment agency that serves the retired professional. It operates along the lines of conventional agencies, but specializes in older, skilled professionals. It develops sophisticated resumes for its member-clients and has received national attention for its success.

A private nonprofit membership organization called "Over 40" has been operating in California and elsewhere for many years. It has no administrative staff. Members are charged an initial fee, plus a membership fee. The organization offers a "job club" type of assistance—information, resume writing, an answering service—for professionals over 40 looking for work. Its chairperson is a member, and other members alternate in support roles as needed (Gollub, 1983).

An organization that has operated in Indiana for approximately 10 years is "Senior Enterprises, Inc." This service, which is funded by the United Way and by private donations, operates in three communities. The agency acts as a "matchmaker" between older workers and firms, but does not screen applicants or check references. The organization was responsible for placing 368 persons in jobs in

1982, mostly in small business. The director of Senior Enterprises works through the "old boy" network, meeting with the service clubs in the area, such as the Kiwanis, Rotary Club, and Society of Retired Executives. Senior Enterprises staff try to concentrate on getting to know the vice president for personnel in firms where they would like to place applicants. Although they have made overtures to work with the area Private Industry Council, they have had little response to date (Gollub, 1983).

In White Plains, New York, the "Senior Personnel Employment Council" has been operating a privately supported service since 1955. The Senior Personnel Employment Council of Westchester has operated as a nonprofit employment service in four communities (recently cut back from five), providing placement in private-sector positions, as well as in individual homes as companions. It also provides the bookkeeping and personnel services for a subsidiary group, "Senior Temps," which handles short-term work assignments for businesses. Over the years, Senior Personnel Services has placed over 15,000 seniors on temporary work assignments, placing over 65% in paid positions. It estimates that over $33 million has been returned to the local community through the individuals it has placed (Gollub 1983).

Summary

A number of organizations are establishing model local employment organizations for the older worker in several cities. Employment and placement agencies that specifically address older worker needs—such as Operation ABLE, Skills Available, Retirement Jobs Inc., Second Careers, Senior Enterprises, Inc., or the Senior Personnel Employment Council—all represent a trend toward addressing older worker employment directly and pragmatically. As these models gain more support from business and business groups, such as PICs, they may become accepted as necessary forms of assistance to address older adult labor market needs.

CONCLUSIONS AND IMPLICATIONS

American communities are discovering the value of older workers through the marketing and advocacy efforts of many different community groups. These include area agencies on aging, foundations, community advocates and service organizations, business associations such as Chambers of Commerce and Private Industry Councils, and state job training councils.

- Community groups have helped develop employer education efforts, which include studying worker and employer attitudes and needs and communicating the value of older workers, and have established a variety of successful marketing and placement mechanisms. They have an important role to play as intermediaries, facilitating increased hiring of older workers and increased public sector attention to inequities and special needs.
- There are groups of older workers that have no specific advocacy groups, as those over 55 have in the American Association of Retired Persons, area agencies on aging, and the like. Although advocacy may be a more controversial activity than facilitation, it seems important that no age group of older workers be overlooked. In addition, community organizations can play an important role in advocating for the inclusion of low-income, disadvantaged older workers in programs designed to improve job prospects and employability.
- Some of the mechanisms set up by community organizations are less formal, use voluntary help from public agencies and local business, and have good short-term effects (such as job fairs). Other mechanisms are more formal, encompassing systematic employment services and marketing of older workers to individual employers and the employer community as a whole (ABLE). The more formal mechanisms that study the labor market, assess older worker skills, and provide limited training and preparation, job referral, and job development services seem to be the most successful in finding jobs for older workers.

As more communities consider what they could do on behalf of older workers, the merits of collaboratively supported employment and placement organizations should be considered. The early growth of this new "infrastructure" for the older adult labor force may be further enhanced by the positive support generated by new awareness in special employment training councils at the state and local level.

VIII DEVELOPING OLDER WORKER EMPLOYMENT STRATEGIES

As indicated in Sections V through VII, public and private sector organizations have a broad array of approaches and tools they can use to serve the interests of both employers and older workers. However, most applications to date have been rather isolated and ad hoc, benefiting older workers in a particular firm, those participating in a specific government-sponsored program, or those in a city with a particular community group. As demographic trends and inflation change the labor supply, narrow or reactive approaches to these employment issues may no longer suffice. The number of employed adults over 55 rose from 14.1 million in 1970 to 14.5 million in 1980. To meet the needs of employers and the growing number of older workers, it may become increasingly necessary to be more strategic in the development of older worker employment opportunities. Furthermore, effective strategies require cross-sector knowledge that is most easily gained through collaboration, particularly knowledge about the effects of economic change on other sectors.

Organizations or individuals concerned with older workers and seeking to develop effective stategies face the difficulty that there is no one "best way" to proceed. The optimum strategy depends on where the change agent is organizationally and where the community is politically, economically, and socially. In some cases, it may be appropriate to develop a community-wide strategy on older worker employment that involves the full range of local interested parties and resources in the strategy development process. However, it is not always necessary or appropriate to be so comprehensive and all-encompassing. In other cases, it may make the most sense to focus on a set of policy changes that can be made in a single corporation. Sometimes it might be best for an organization, such as a private firm, to proceed alone, working on internal policies. At other times, it may prove desirable to link with other collaborators (e.g., a private firm and an older worker employment intermediary organization).

Determining exactly how to proceed in developing an older worker employment strategy can often be as much art as science. This section reviews key principles in strategy development and describes four different kinds of approaches to developing older worker strategies.

UNDERSTANDING THE LOCAL CONTEXT

Corporations, government agencies, and community organizations that have worked on older worker issues have found it essential to understand the local context in which they are working in order to know how to proceed. Every employer and every community is different, and what is possible in one situation may be inconceivable in another. Several factors need to be considered before new strategies are developed:

- **Current practice**—What is current employer practice regarding older workers? How is it perceived? To what extent does it address the issues cited in this guide?
- **Leadership on the issue**—Who is promoting new strategies for older workers? Corporate leaders? Advocacy groups? The media? Government? Is there a consensus?
- **The public policy framework**—What are current state and local policies on older workers' pensions, retirement age, hiring practices, age discrimination?
- **Employer and community attitudes**—What are current attitudes toward older workers among other workers and labor groups? In the community at large? Among employers? Are firms seen as forward-looking? Concerned about their employees?
- **The local economic and employment picture**—Is the local economy and employment base growing or declining? What is the unemployment rate? What are current business conditions? How do older workers fit in? Are older workers seen as competing with younger workers for scarce jobs?
- **Support organizations**—Are there organizations in place in the community that can support older worker initiatives? Can they be resources for firms or public agencies seeking to develop new policies?

SOME BASIC PRINCIPLES IN STRATEGY DEVELOPMENT

Once a corporation, government body, or community organization has a sense of the firm's or community's environment, it can proceed with the development of more purposeful strategies that meet the needs of older workers and the labor requirements of employers. The concept of "strategy development" implies systematic action in developing a plan to achieve a goal—something more than simply adopting a "good idea." The experience of those working on community problem-solving efforts suggests certain principles in the strategy development process that may be helpful to others:

- **Building on a sense of self-interest**—Employers do not develop older worker policies for charity's sake; they do it because they understand how it can support the overall purposes of their organization.
- **Defining a specific focus**—Strategies need to be developed around well-defined and manageable issues; vague and ill-defined projects waste resources and can tarnish an organization's image.
- **Involving key actors**—Whether inside a corporation or within the community as a whole, it is important to involve individuals (and institutions) with a stake in older worker issues and with the capacity to resolve existing problems.
- **Carefully diagnosing problems**—If a problem-solving measure is to succeed, there needs first to be some kind of systematic way of analyzing the problem to understand its true underlying causes and help ensure that the measure is an appropriate solution.
- **Identifying potential options**—There are many different approaches to the older worker question, and a growing number of experiences to tap, that can benefit those developing new strategies.
- **Developing a plan of action**—Building on a review of potential options, an assessment of their pros and cons, and an understanding of how they "fit" with the local context, a strategic plan of action can be developed, either in a firm or in the community at large.

- **Implementing and following through**—Once a strategy has been developed, the challenge is to implement, monitor, and follow through to determine that it is accomplishing its intended objectives.

EXAMPLES OF DIFFERENT STRATEGIES

There are a number of different examples of how corporations, government, and community organizations can, either independently or collaboratively, develop strategies to meet the labor needs of employers and the interests of older workers. Four different examples are highlighted below to help illustrate the range of potential strategies:

- Redesigning employer practices from within an organization.
- Developing new public policy at the state level.
- Developing older worker initiatives in community organizations.
- Organizing a broad-based public-private-community strategy.

Redesigning Employer Practices from Within an Organization

Employers work to change older worker employment practices for one of three basic reasons: to increase the number of jobs held by older persons, to promote the retirement of older employees, or to encourage the retention of older employees. An employer seeking to accomplish one or more of these human resource objectives might find the experience of the Aerospace Corporation in Los Angeles to be an instructive example of a strategy development exercise within a single firm.

Aerospace is a private, nonprofit corporation performing systems engineering for the U.S. Air Force; it is concerned with satellites and launch vehicles used for national defense purposes. Thus, its work force of 4,500 is highly technical and professional in composition.

Aerospace management was stimulated by the passage of the ADEA amendments in 1979 to systematically examine its work force in age-specific terms and, as a result of this analysis, decided to develop new options for older workers in the firm.

SOME STEPS FOR EMPLOYERS
TO FOLLOW IN DEVELOPING
OLDER WORKER EMPLOYMENT POLICIES

- Conduct an age analysis of the company work force:
  - Examine work force structure by age to develop an age profile of the work force.
  - Examine work force dynamics by age (e.g., hiring, placement, promotion, retiring).
- Review public policies and statutes:
  - Age discrimination laws.
  - Mandatory retirement and related benefit laws.
  - Pension and Social Security regulations.
- Review hiring and promotion policies and practices:
  - Hiring standards and procedures.
  - Promotion patterns.
- Use functional criteria and performance appraisal in assessing employees.
- Review training and career development opportunities
  - Get feedback from workers.
  - Review counseling mechanisms.
  - Examine training and development programs.

Its analysis of its work force included a survey of retired workers to determine their current activities (many were found to have gone to work for other employers or started their own businesses) and a survey of current older workers to determine their interest in a possible "second careers" program (their response was positive). Aerospace then began examining the programs for older workers that were being developed by their competitors.

Following the surveys and analysis of options, Aerospace decided on a number of older worker initiatives: a new rule allowing payment of pension benefits to employees still receiving salaries, development of consulting arrangements for retired professionals, the development of permanent part-time and casual-worker opportunities for nonprofessional older employees, and a new policy for calling back retirees to work on special short-term projects. Currently, about 2% of the firm's work force consists of workers taking advantage of these options to continue with the company, and a panel of older workers is advising the company on a continuing basis.

Although motivated by government policy (the ADEA), the Aerospace strategy has been entirely an internal initiative, and apparently a successful one, according to company officials. It demonstrates how employers can, on their own, take creative steps to systematically analyze their situation, assess options, and develop a purposeful strategy for older workers.

Developing New Public Policy at the State Level

State governments, in addition to being large employers, also have important welfare and equity responsibilities. Legally and jurisdictionally, it is the state government, rather than local government, that has greater opportunities to exert policy influence over employers and protect the interests of older workers. Developing any sense of a "comprehensive" state policy on older workers is indeed difficult because of all the competing interests and bureaucratic complexities at the state level. However, over the years, the state of California has proven to be a leader on older worker issues. Its experience in developing a strategy incrementally over time may be instructive to other states. Other states such as Florida, New York, Ohio, and Washington are moving increasingly in this direction.

- Employ more flexible retirement and retention policies:
  - Review retirement and pension policies.
  - Explore alternative work arrangements such as part-time, flextime, jobsharing.
- Educate management on age factors:
  - Executive management.
  - Line supervisors and middle management.

("Aging and the Work Force: Human Resource Strategies," by Julia French, consultant to Special Committee on Aging, U.S. Senate)

Much of the leadership on this issue in California seems to have come from the state legislature. An important catalyst for its actions has been the efforts of the "Silver Haired Legislature," a consortium of volunteers who review and develop model legislation on issues for use by legislators. Their efforts seem well respected by state officials, and their carefully thought out and well-researched legislative agendas frequently have been adopted.

The array of progressive legislation in California on the older worker issue is impressive. The state has enacted more than 25 pieces of legislation on age and employment discrimination issues since 1976, including the elimination of mandatory retirement. Various other pieces of legislation protect the retirement benefits of part-time workers and relate the retirement benefits of emergency personnel (police, fire fighters, and others) to physical ability rather than age. The Assembly Committee on Aging has also developed special briefing packets for legislators on issues involved in employing older workers.

At the agency level, there are certain provisions for flexible scheduling and part-time work. The state has funded innovative local demonstrations of a service exchange and senior employment assistance program. The State Department of Aging and the State Employment Development Department (EDD) have an arrangement whereby Title V enrollees are trained and placed in EDD field offices to help older workers find jobs.

Taken individually, many of these initiatives may have limited impact. However, collectively they seem to form the basis of a fairly broad state policy statement for older workers. Perhaps other states, rather than proceeding in the incremental pattern of California, might develop such comprehensive statements in a more strategic manner.

Developing Older Worker Initiatives in Community Organizations

Some employers may not yet recognize the need and value of accommodating older workers, or may not know how to proceed even if they would like to. In such cases, other organizations in a community can play catalytic, educational, and facilitating roles to help promote and develop older worker options. Efforts such as Operation ABLE in Chicago and the "Working Seniors" program in Hillsborough County, Florida, illustrate how different organizations in a community can serve as intermediaries to help bring sectors together around the older worker issue.

In Chicago, Operation ABLE has carefully built relationships with private employers, working to help change attitudes about older workers, modify employment practices, and match older workers with job openings. The Operation ABLE effort has its roots in a group of social workers and grass-roots community leaders who saw the need to address the issue and succeeded in obtaining local foundation support to build a network of public and private employment agencies in the Chicago area. This network assists older people in entering the job market. Over time, ABLE has made extensive use of the media to publicize the older worker issue, developed an older worker hot line, and developed major community-employer education and advocacy programs on behalf of older workers.

Such initiatives have helped to educate and inform employers and public policymakers about the needs and value of older workers. Moreover, they illustrate the creative role that intermediary organizations can play in promoting links between employers and older workers. Other organizations in a community—such as area agencies on aging, Private Industry Councils, and senior advocacy groups—might develop similar intermediary roles in other places.

Organizing a Broad-Based Public-Private-Community Strategy for Older Workers

Public-private-community efforts require levels of collaboration among public agencies, private companies, and intermediary organizations that are not usually found. Most older worker initiatives tend to appear in individual firms or individual public policies. However, as the pressure for older worker employment develops (and demographic and labor market changes guarantee it will), there will be more need to apply the full range of resources in a community. More broad-based and comprehensive strategies may be needed than can be developed by any one sector.

ASSESSING THE LOCAL LABOR MARKET FOR OLDER WORKERS

Information about the local situation for older worker employment can be gained from data provided by the U.S. Census Bureau, the Bureau of Labor Statistics, and state employment services, and by actual analysis of local industry employment patterns. The aspects to be addressed are these:

- Current number and percentage of older workers in the local labor force by age group, sex, and minority/disadvantaged status, and future projections of these percentages. (Analysis should show whether particular groups are underrepresented and thus may indicate problems of equity.)
- Numbers of older workers by occupation and industry group.
- Sector analysis reviewing industry trends in the region should show the extent to which older workers are employed in declining or growth industries, and hence their prospects for displacement. A similar analysis can be done for displacement by technological change, if the information is available. In addition, review of areas of growth (such as health and financial services) should indicate where possible new employment opportunities are. These analyses will give some indication of needs for placement and retraining.
- Number of older workers holding part-time positions and the percentage of those who receive no retirement benefits while working. (Analysis of this information should give some information about the economic needs of older workers.)

There is beginning to be some experience showing how truly collaborative strategies involving government, business, and community organizations and groups representing the intereests of older adults can be developed. Strategy development processes have been used in a number of communities to address a wide range of issues, from refugee resettlement and child care to transportation for older people and economic development. These processes have generally proceeded through a series of steps illustrated below.

The City of Nashville is currently working on an effort involving local universities, city government, numerous community organizations, and local business in developing new employment options for residents over age 65. This effort is part of an overall demonstration project on independent living sponsored by the Administration on Aging.

The Nashville initiative started with concern in the Mayor's Office about promoting independent living and avoiding institutionalization of older people. A broad-based community task force was formed, comprised of representatives of governmental, educational, private, religious, and community-based organizations. The task force is chaired jointly by a retired professor from Vanderbilt University (current president of the local chapter of the American Association of Retired Persons) and a dean at Meharry Medical College.

The task force is examining all aspects of independent living: health, housing, transportation, social support, and employment. A subcommittee on employment options, led by the mayor's executive assistant, is examining the needs among Nashville's older population and attempting to develop new employment opportunities for them. Three options are currently being explored: (1) the use of the older people as guides and aides in the city's extensive tourist program (a possible effort to be sponsored by the Hotel and Restaurant Owners Association); (2) development of new health care and social support roles for healthy older people who would care for frail, homebound persons; and (3) new flextime and part-time opportunities with existing business.

The subcommittee hopes to develop an action plan before the end of 1983 that will define specific new employment options for older persons in Nashville and identify roles and commitments for different public, private, and community sectors in implementing these options. When the plan is completed, this subcommittee will have developed a broad-based strategy for meeting the employment needs of older workers and special labor supply requirements in Nashville that goes beyond anything that any single actor or sector could have developed.

See the following checklist of questions being used in Nashville to help them proceed with their strategy development process.

CONCLUSION

As demographic changes and new labor supply requirements begin to bring the older worker issue to the forefront of public concern, there will be an increased need for both employers and communities to determine how best to address this issue. Although each company and public agency has individual roles that it can play, making major progress on the issue may well require more broad-based and collaborative efforts. We hope that the examples and processes described in this guide can help point the way toward such future efforts.

POLICY OPTIONS ACTION CHECKLIST FOR EMPLOYMENT OF OLDER PEOPLE

1. **Forming a Broad-Based Community Problem-Solving Partnership**
   - Who are the key community leaders in issues around employment?
   - Has the local Chamber of Commerce or business association been involved in discussions about employment of older workers?
   - Do community and older people's service organizations focus on these issues? If so, which ones?
   - Can a coalition be created among public agencies, private businesses and unions, and community organizations to promote strategies for solving the problems of employment of older people?

2. **Diagnosing the Problem**
   - How many older people in the community would like to work parttime if they had the opportunity? What are the estimates of the state employment service for the community?
   - Do current private sector employment practices allow for flexible opportunities for older people?
   - Do private business pensions and retirement policies discourage the older worker from continuing employment?
   - Do firms have policies that allow rehiring of retired workers on a temporary basis?
   - Do government agencies have retirement age rules or inflexible hiring practices toward older workers?
   - Are mechanisms for helping older workers find job opportunities available in the community?
   - Are there opportunities in both the public and private sectors for older people to provide volunteer work?

3. **Potential Policy Options**
   - Have retirement policies been revised in public agencies and private businesses?
   - Have part-time jobs been developed?
   - Are retired business employees being used by government, small businesses, or corporations?
   - Do firms have temporary employment services to hire older workers during peak work periods?
   - Have job banks been considered?
   - Can a community brokerage mechanism be established for the older worker?
   - Can new types of job opportunities for older workers be created, such as day care providers?

4. **Negotiating Action Agreements**
   - What tradeoffs can be negotiated in a community whereby the public agency can provide something that complements what the private sector and community groups can provide?
   - If the business community provides opportunities for older worker employment, what can community groups provide the business community (e.g., a source of potential employees)?
   - If the business community changes its employment practices, will the government do the same (e.g., flexible employment)?
   - How can such tradeoffs be negotiated? Who will be involved in the negotiation?

5. **Implementing Action Agreements**
   - Who will ensure that the agreements are followed through?
   - What responsibility does each partner have in implementation?
   - What is the most efficient and effective means of monitoring performance?

(SRI, 1983)

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United States Department of Labor, Bureau of Labor Statistics. "Labor Force Projections." 1983.

RESOURCE ORGANIZATIONS

Organizations Representing Older Adult Interests

American Association of Retired Persons (AARP)
Institute of Lifetime Learning
1909 K Street, N.W. (202) 872-4700
Washington, DC 20049

Gerontological Society of America
1835 K Street, N.W., Suite 305 (202) 466-6750
Washington, DC 20006

Gray Panthers
3635 Chestnut Street (215) 382-3300
Philadelphia, PA 19104

National Association of Area Agencies on Aging
600 Maryland Avenue, S.W. (202) 484-7520
Washington, DC 20024

National Association of State Units on Aging
600 Maryland Avenue, S.W. (202) 487-7182
Washington, DC 20024

The National Caucus and Center on Black Aged, Inc.
1424 K Street, N.W. (202) 637-8400
Washington, DC 20005

National Council on the Aging, Inc, (NCOA)
600 Maryland Avenue, S.W. (West Wing 100, Suite 208) (202) 479-1200
Washington, DC 20024
(Write also to join: National Older Workers Employment Services Association.)

National Council of Senior Citizens
1511 K Street, N.W. (202) 347-8800
Washington, DC 20005

National Senior Citizens Law Center
1424 16th Street, N.W., No. 300 (202) 232-6570
Washington, DC 20036

Urban Elderly Coalition
600 Maryland Avenue, S.W. (202) 554-2040
Washington, DC 20024

Western Gerontological Society
833 Market Street, Room 516 (415) 543-2617
San Francisco, CA 94103

Business-Oriented Organizations That Address Older Worker Issues

American Management Associations
135 W. 50th Street (212) 586-8100
New York, NY 10020

Business Roundtable
200 Park Avenue, Suite 2222 (212) 682-6370
New York, NY 10166

Chamber of Commerce of the U.S.
Employee Benefits and Policy Center
1615 H Street, N.W. (202) 463-5514
Washington, DC 20062

The Conference Board
845 Third Avenue (212) 732-0882
New York, NY 10006

International Society of Preretirement Planners (ISPP)
El Monte Plaza, Box 196
3500 Clayton Road, Suite B (415) 676-0893
Concord, CA 94519

National Alliance of Business (NAB)
1015 15th Street, N.W. (202) 457-0040
Washington, DC 20005

National Association of Manufacturers (NAM)
1776 F Street, N.W. (202) 626-3700
Washington, DC 20006

Solidarity House
International Union—UAW
8000 East Jefferson Avenue (313) 926-5000
Detroit, MI 48214

Organizations with Particular Interest in Older Worker Education, Training, and Work Arrangement Issues

Drexel Center on Aging
University of Maryland (301) 454-5856
College Park, MD 20742

Employee Benefit Research Institute
1920 N Street, N.W., Suite 520
Washington, DC 20036 (202) 659-0670

Institute for Policy and
Program Development
Employment and Retirement Division
Andrus Gerontology Center
University of Southern California
P. O. Box 77912
University Park MC0191
Los Angeles, CA 90007 (213) 743-6060

Institute of Gerontology
The University of Michigan
300 North Ingalls
Ann Arbor, MI 48109 (313) 764-3493

New Ways to Work
149 Ninth Street
San Francisco, CA 94103 (415) 552-1000

SRI International
Public Policy Center
333 Ravenswood Avenue
Menlo Park, CA 94025 (415) 859-3835

Urban Institute
Income and Retirement Security Program
2100 M Street, N.W.
Washington, DC 20037 (202) 223-1950

Work in America Institute
700 White Plains Road
Scarsdale, NY 10583 (914) 472-9600

Older Worker Assistance Organizations

Project ABLE
36 S. Wabash
Chicago, IL 60603 (312) 782-3335

Displaced Homemakers Network, Inc.
755 8th Street, N.W.
Washington, DC 20001 (202) 628-6767

Forty-Plus (National Office)
1718 P Street, N.W.
Washington, DC 20036 (202) 387-1582

Mature Temps (National Office)
1114 Avenue of the Americas
New York, NY 10036 (212) 398-7777

Older Persons in Small Business
American Association of Community and Junior Colleges
One Dupont Circle, Suite 410, N.W.
Washington, D.C. 20036 (202) 546-1723

Service Corps of Retired Executives-
Active Corps of Executives (SCORE-ACE)
See local Small Business Administration Office or call (800) 433-7212

Veterans Employment Assistance Program
Noncommissioned Officers Association (NCOA) Headquarters
P. O. Box 33616
San Antonio, TX 72833 (512) 653-6161

National SCSEP Sponsors

American Association of Retired Persons
National Project Director, SCSEP
1909 K St., N.W.
Washington, DC 20049

Asociación Nacional pro Personas Mayores
Executive Director
1730 West Olympic Blvd., Suite 401
Los Angeles, CA 90015

Green Thumb, Inc.
Administrator
1401 Wilson Blvd.
Arlington, VA 22209

National Council of Senior Citizens
Deputy Director, Senior Aides Program
1511 K Street, N.W.
Washington, DC 20005

National Council on the Aging, Inc.
National Project Director, SCSEP
600 Maryland Avenue, S.W., West Wing 100
Washington, DC 20024

National Caucus and Center on Black Aged, Inc.
National Director, SCSEP
1424 K Street, N.W., Suite 500
Washington, DC 20005

Resource Organizations

National Urban League
National Director, SCSEP
The Equal Opportunity Bldg.
500 East 62nd Street
New York, NY 10021

USDA Forest Service
Human Resource Programs Director
P.O. Box 2417
Room 2117b
Auditors Bldg.
Washington, DC 20013

Government Offices Working on Older Worker Issues

ACTION
806 Connecticut Avenue, N.W.
Washington, DC 20525

Equal Employment Opportunity Commission
1717 H Street, N.W., Suite 400
Washington, DC 20506 (202) 653-6197

Office of National Programs for Older Workers
U.S. Department of Labor
Employment and Training Administration
601 D Street, N.W., Room 6122
Washington, DC 20213

National Commission for Employment Policy (NCEP)
1522 K Street, N.W., Suite 300
Washington, DC 20005 (202) 724-1545

U.S. House of Representatives
Select Committee on Aging
712 HOB 1
Washington, DC 20515 (202) 226-3375

U.S. Senate
Special Committee on Aging
Room G-233, DSOB
Washington, DC 20510 (202) 224-5364

Relevant Periodicals

Aging and Work (formerly *Industrial Gerontology*)
Published by NCOA, Inc.
600 Maryland Avenue, S.W.
West Wing 100
Washington, DC 20024

Journal of Gerontology
Published by the Gerontological Society of America
1835 K Street, N.W., Suite 305
Washington, DC 20006

APPENDIX: NCEP RESEARCH ON OLDER WORKERS

"Estimated Effects of 1983 Changes in Employer Health Plan Medicare Payment Provisions on Employer Costs and Employment of Older Workers," Joseph M. Anderson et al., ICF Inc.

Recent amendments to the Age Discrimination in Employment Act resulting from the passage of TEFRA were analyzed in terms of costs to private employers and consequent effects on private employment. The Amendments are designed to shift the cost of health care for workers aged 65 through 69 from Medicare to employer health plans. The changes should have little effect on the aggregate employment of older workers (reducing demand by about 1%). They will raise employer costs by making employer plans the primary payor of benefits and by requiring any company with any type of benefit plan to cover employees aged 65-69 as well as younger workers. Employer costs will be offset by other changes in compensation, such as wages and salaries, so employment of older workers should change little because of this legislation.

"Age, Productivity, and Earnings: A Case Study of a High Tech Firm," Paul J. Andrisani and Thomas N. Daymont, Center for Labor and Human Resource Studies, Temple University

The authors examined earnings differences between the older and younger professional and managerial workers of an anonymous high-tech firm and estimated how much of these differences are attributable to school, work experience, skille, and similar characteristics rather than to changing attitudes toward work, physiological aging, or age discrimination. The disadvantages of older workers (skills obsolescence, limited schooling, health problems, and less geographic mobility) are offset by greater work experience. However, reduced productivity associated with declines in performance, changing preferences for leisure, increased opportunity costs and shorter payback periods for on-the-job training (OJT), and age discrimination in employment account for roughly a 7.5% decline in the earnings of older workers. When firm-specific OJT investments are considered, virtually all association between age and earnings over the life cycle disappears.

"Sources of Labor Market Problems of Older Persons Who Are Also Women, Handicapped, and/or Members of Minority Groups,"Robert L. Clark, North Carolina State University

Certain demographic groups continue to have relatively low incomes and greater difficulties in finding and maintaining desirable positions in the labor market. This study presents earnings ratios by sex, race, educational attainment, and health status, to determine whether or not the relative earnings of these groups decline further with age. Using data from the Retirement History Study (RHS), Clark finds no evidence that nonmarried females, nonwhites, and persons with low levels of educational attainment experience declining earnings relative to white males as they grow older. However, the relative earnings of those with health limitations do decline with age. Additional years of education raise the life cycle earnings for each demographic group.

"Restructuring Social Security: How Will Retirement Ages Respond?" Gary S. Fields and Olivia S. Mitchell, Cornell University

To estimate the magnitude of older workers' response to the restructuring of the national Social Security system, the authors analyze the current earnings, Social Security, and private pension opportunities available to older workers. Five restructuring proposals are examined to determine how they would affect retirees' incomes, and the corresponding responses of older workers are evaluated.

Fields and Mitchell found that lowering Social Security benefits for early retirement and increasing the gain from deferred retirement would have the largest impact on delaying retirement; increasing the age of eligibility for normal benefits would have an intermediate effect; increasing only the late retirement credit would have the least effect (essentially no change in retirement ages).

Among the policy implications are that reducing early retirement benefits and increasing the normal retirement age would save the Social Security system money but hurt the average worker, and that those who could not postpone early retirement would suffer the most.

"Emerging State and Local Roles in Developing Options for Older Workers: Practice and Potential," James O. Gollub, SRI International

The roles of the public and private sectors in stimulating desirable work opportunities for older workers are changing, and policy strategies can increase the options. Five categories of policy tools are identified: regulation/deregulation, tax policy change, program innovation, administrative reform, and public/private collaboration. Diverse (but limited) activities to increase employment options are taking place at federal, state, and local levels, in progressive firms, and through new collaborative public/private organizations. Regulatory policies, administrative changes, and experimentation with new models of employment assistance have already established a framework on which further efforts can be built. The need is to promote more systematic policy change that is sensitive to the conditions facing business and to better link the older worker with labor market opportunities.

"Older Workers' Responses to Job Displacement and the Assistance Provided by the Employment Service," Terry R. Johnson et al., SRI International

The study identifies the types of older workers who become displaced and examines the role of the U.S. Employment Service (ES) in assisting displaced older workers. Detailed interview data, combined with ES agency records on services provided, were the data set used for the analysis. The displaced older worker appears to be somewhat more advantaged than other older job seekers in terms of demographic characteristics and previous employment histories, but displaced older workers tend to have somewhat poorer than expected subsequent reemployment experiences. They fare no better than other unemployed older workers. The characteristics of displaced older workers with successful reemployment experiences include more education (having at least a high school diploma), not being a mandatory ES registrant (not registering to receive unemployment insurance benefits), and living in a location with low unemployment rates. The authors make several recommendations, including special assistance to displaced older workers who are less educated or who are forced to leave long-held jobs. They suggest that improved job referral services for older workers should be a primary ES goal.

"Older Workers in the Market for Part-Time Employment," James M. Jondrow et al., The Public Research Institute

After consulting a number of data sets and entertaining a number of hypotheses, Jondrow et al. conclude that employers find part-time workers of any age to be more costly per hour and less productive than full-time workers of the same age. As a result, employers offer part-time workers a lower wage relative to full-time workers. For older workers, this prospect of low compensation for part-time work appears to be less appealing than full retirement, thus discouraging them from actively pursuing part-time jobs. Reducing social insurance taxes, removing the Social Security earnings limit, and offering subsidies all appear to be ineffective in drawing more older persons into part-time jobs. Since older persons themselves resist part-time work, the authors suggest that federal policy initiatives in this area are unnecessary.

"Retirement and Older Americans' Participation in Volunteer Activities," Carol L. Jusenius, National Commission for Employment Policy.

Retired workers could be an important source of volunteers to meet needs left by declines in the role of government. If workers are persuaded to work more years, will volunteerism suffer? In a study of data on volunteerism, it appears that relatively few people participate in volunteer activities, and that volunteerism is lower, rather than higher, among older people. Education has a positive influence on the likelihood that an older person will volunteer, but living in an area with a high concentration of people in need has a negative influence. A history of volunteering is a high predictor of likelihood to volunteer in the future, but few people volunteer continually. Policies that encourage people to work more years rather than retire early are unlikely to affect the probability that older men will volunteer. Policies that permit moving from full- to part-time work will increase the likelihood that older women will volunteer for some kinds of work. Income from assets (including Social Security) increases the likelihood of volunteering.

"Multiple Liability? A Survey and Synthesis of Research Literature Pertaining to Labor Market Problems of Selected Groups of Older Workers," Andrew I. Kohen, James Madison University

Research literature on three possible sources of double jeopardy for older workers (being black, being female, or being handicapped) focuses primarily on earnings and joblessness as measures of labor market success or failure. Most of the studies surveyed do not show that the lower earnings or higher unemployment experienced by blacks as compared with whites grow worse at later stages of the life cycle. For older female workers, this form of double jeopardy is responsible for comparatively lower earnings and higher unemployment. For older handicapped workers, the few studies done also show double jeopardy. The survey and synthesis of existing research indicates the clear need for theoretical and empirical research directed explicitly at the questions of multiple jeopardy of older workers.

"A Human Resource Management Perspective on Work Alternatives for Older Americans," Carolyn E. Paul, Andrus Gerontology Center, University of Southern California

Twenty-five companies that have become nationally known for their progressive policies targeted toward retirement-age workers were surveyed. Among formal personnel programs, labor pools for part-time work assignments and phased retirement were more often used (and publicized), while job-sharing, training/retraining, and job recruitment were less often used. Job redesign and job transfer tended to occur informally rather than formally. Public policies have stimulated the creation of job options, shaped their structure, and influenced their utilization by older workers. Management decisions to implement options were influenced by the culture of the organization, the need for the option in the workplace, the character of labor-management relations, and business conditions. Older worker utilization of employment options was influenced by management's communication of option availability, compensation and employee benefit provisions, and federal employment policy regulations. The findings suggest the need for government marketing strategies to "sell" employment options to employers, unions, and older persons. Two federal policies provide disincentives for older workers: the Social Security retirement earnings test and ERISA's pension suspension policy.

"Coordination and Cooperation Between SCSEP and CETA Operations," Cilla J. Reesman, Kalman Rupp, Richard E. Mantovani, Westat, Inc.

Interviews were held with a variety of CETA prime sponsors and SCSEP program operators to determine the extent of cooperation and coordination between CETA and SCSEP in meeting the needs of older adults. Where cooperation worked well, older adults could be employed and paid by SCSEP and trained by CETA. However, coordination and cooperation did not always exist. Some CETA sponsors felt that the training of young people was the prime mandate of CETA. Others felt that the pressure to place trainees in jobs meant that it would not be feasible to train older adults who would be more difficult to place. Some SCSEP program operators were not even aware of the potential of CETA. The sample size was limited to nine CETA prime sponsors and nine SCSEP operators.

"Innovative Employment Practices for Older Americans," Lawrence S. Root and Laura H. Zarrugh, Institute of Gerontology, University of Michigan

Using the National Older Worker Information System, a computerized data base developed at the University of Michigan, the authors analyze a variety of company-sponsored innovative programs and practices involving older workers and discuss examples directed to specific segments of the work force. Older workers encounter at least four major barriers to continued effective employment: negative stereotypes in hiring or job promotions, limited training or retraining opportunities, limited part-time employment options, and minor disabilities. In response to these problems, private sector employers have designed several innovative approaches: objective work appraisals, full- and part-time hiring programs targeted to mature workers, training and retraining programs designed for older persons, and job modification or redesign efforts that provide the opportunity for continued employment to workers who suffer a minor disability. Private sector programs of these types will continue to expand with the growth in the proportion of older persons in the national labor force, but these efforts will be limited to situations in which the program/practice works to the advantage of the employer as well as the older worker.

"Eligibility and Participation Rates of Older Workers in Employment and Training Programs," Kalman Rupp et al., Westat, Inc.

As part of a study of the participation of older workers in employment and training programs and the effectiveness of these programs, Rupp et al. examined the population eligible for CETA and SCSEP. They found that the size of the CETA/SCSEP eligible population is limited by program-specific requirements. For CETA Title IIB programs, some eligibility rules are advantageous to the elderly, but overall there is a clear negative association between age and the probability of Title IIB eligibility. In contrast, the estimated proportion of SCSEP eligibles rises with age. During the program year 1980-81, 23,000 persons aged 55 or over (0.5% of those eligible) participated in CETA IIB programs and 77,000 persons aged 55 and over (0.67% of those eligible) participated in SCSEP.

"Factors Affecting the Participation of Older Americans in Employment and Training Programs" Kalman Rupp, E.C. Bryant, and R.E. Mantovani, Westat, Inc. (and National Council on the Aging, Inc.)

Participation in CETA or in SCSEP paid off for older workers by raising the number of weeks employed. Low income, a long spell of unemployment, and being single or widowed were positively associated with participation, but receiving public assistance or having a high family income were negatively associated with participation. Among minorities, blacks were more likely to participate in CETA, Hispanics to participate in SCSEP. In addition, although physical handicaps are positively associated with CETA eligibility, the data suggested a negative relationship between handicaps and CETA participation. All told, the likelihood that eligible older adults would participate in either CETA or SCSEP increased with education (except that college graduates were less likely to participate in SCSEP than those with some college), but was still lower among those over 45 than among those in the prime age group, 25-44. Rupp, Bryant, and Mantovani ascribe the lower participation of older people at least in part to their general lower participation in the labor force, but also in part to the higher prevalence of unemployment among prime-age workers. Their data sets did not allow for any assessment of the possibility of age discrimination.

"Age Discrimination and Labor Market Problems of Displaced Older Male Workers," David Shapiro, The Pennsylvania State University, and Steven H. Sandell, National Commission for Employment Policy

Shapiro and Sandell examined the age-wage relationship of displaced male workers 45 years and older who subsequently found new jobs between 1966 and 1978. Using the National Longitudinal Surveys (NLS) of Mature Men (aged 45-59 when first interviewed in 1966), the authors found that workers over age 65 did suffer wage penalties compared to younger reemployed displaced workers. The loss of firm-specific human capital associated with seniority on the predisplacement job accounts for most of the wage decrease, but some can be attributed to changes in the occupations and hours of work of displaced workers. Older workers who return to work are more likely to change occupations and to work part-time than younger workers. Overall, they conclude that age discrimination is not evident in the wages of displaced male workers aged 45 to 65.

"Women's Increased Lifetime Labor Supply: Implications for Social Security Policy," Steven H. Sandell, National Commission for Employment Policy

Sandell focuses on the spouse benefit as an example of the importance of changes in women's lifetime labor supply on the Social Security system. In light of women's increased labor force participation and the current Social Security benefit computation rules, he concludes that those debating the merits of the spouse's benefit have exaggerated their cases. Those who claim elimination of the benefit would have a negative impact on child development ignore the fact that most women can spend their child-rearing years without working but still not receive substantial dependent's benefits. Those who call for elimination of the benefits fail to see that it may not be necessary to overhaul the system since, by the next century, only a small minority of women may actually receive the "subsidy" anyway. Sandell does, however, suggest that the current system could be made more equitable to all involved by basing spouse benefits on different criteria than the husband's (or higher earning spouse's) earnings. At any rate, policymakers designing legislation to change the benefit structure of Social Security should understand that the 21st century could be characterized by very different sex-related earnings and labor supply behavior than the recent past.

Notes

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Mo Gollub, the principal cartoonist for this guide, died before its final publication. This volume is dedicated to his memory, in appreciation of his life and work.